



# 赤峰吉隆黃金礦業股份有限公司 CHIFENG JILONG GOLD MINING CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

H Shares Stock Code : 6693

ANNUAL REPORT  
**2025**



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# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Mr. Wang Jianhua (*Chairman*)  
Mr. Gao Bo  
Ms. Yang Yi-fang  
Mr. Lyu Xiaozhao  
Mr. Zhao Qiang (*appointed on 31 October 2025*)

## NON-EXECUTIVE DIRECTOR

Mr. Zhang Xudong

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Prof. Hu Nailian  
Dr. Wong Yet Ping Ambrose  
(*Lead Independent non-executive director*)  
Dr. Li Houmin (*appointed on 31 October 2025*)  
Dr. Jiang Qi (*appointed on 31 October 2025*)  
Dr. Mao Jingwen (*resigned on 31 October 2025*)  
Dr. Shen Zhengchang (*resigned on 31 October 2025*)

## AUDIT COMMITTEE

Dr. Wong Yet Ping Ambrose (*Chairman*)  
Mr. Zhang Xudong  
Dr. Jiang Qi (*appointed as a committee member on 31 October 2025*)  
Prof. Hu Nailian (*resigned as a committee member on 31 October 2025*)

## NOMINATION COMMITTEE

Dr. Li Houmin (*Chairman*)  
(*appointed on 31 October 2025*)  
Mr. Gao Bo (*appointed as a committee member on 31 October 2025*)  
Prof. Hu Nailian  
Dr. Wong Yet Ping Ambrose  
Ms. Yang Yi-fang  
Mr. Lyu Xiaozhao (*resigned as a committee member on 31 October 2025*)  
Dr. Shen Zhengchang (*resigned as a committee member on 31 October 2025*)

## REMUNERATION AND APPRAISAL COMMITTEE

Prof. Hu Nailian (*Chairman*)  
Mr. Gao Bo (*appointed as a committee member on 31 October 2025*)  
Mr. Lyu Xiaozhao (*appointed as a committee member on 31 October 2025*)  
Dr. Li Houmin (*appointed as a committee member on 31 October 2025*)  
Dr. Jiang Qi (*appointed as a committee member on 31 October 2025*)  
Ms. Yang Yi-fang (*resigned as a committee member on 31 October 2025*)  
Dr. Mao Jingwen (*resigned as a committee member on 31 October 2025*)  
Dr. Shen Zhengchang (*resigned as a committee member on 31 October 2025*)

## STRATEGY AND SUSTAINABILITY COMMITTEE

Mr. Wang Jianhua (*Chairman*)  
Mr. Gao Bo (*appointed as a committee member on 31 October 2025*)  
Ms. Yang Yi-fang  
Mr. Lyu Xiaozhao  
Mr. Zhao Qiang (*appointed as a committee member on 31 October 2025*)  
Mr. Zhang Xudong  
Dr. Wong Yet Ping Ambrose (*resigned as a committee member on 31 October 2025*)

## AUTHORISED REPRESENTATIVES

Ms. Yang Yi-fang  
Mr. Wong Hok Bun Mario

## COMPANY SECRETARY (HONG KONG)

Mr. Wong Hok Bun Mario (*FCCA*)

# CORPORATE INFORMATION

## REGISTERED OFFICE

Fumin Village, Sidaowanzi Town  
Aohan County, Chifeng  
Inner Mongolia Autonomous Region  
The People's Republic of China

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

A7 Xiaojing, Wanfeng Road  
Fengtai District  
Beijing  
The People's Republic of China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1905, 19th Floor, China Resources Building, 26  
Harbour Road  
Wanchai  
Hong Kong

## LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

DeHeng Law Offices (Hong Kong) LLP  
28/F, Henley Building, 5 Queen's Road Central  
Central  
Hong Kong

## COMPLIANCE ADVISOR

Vast Harbour Corporate Finance Limited  
(formerly known as "Goldlink Capital  
(Corporate Finance) Limited")  
28/F, Bank of East Asia  
Harbour View Centre  
56 Gloucester Road  
Wanchai  
Hong Kong

## AUDITOR

Ernst & Young Hua Ming LLP

## HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## WEBSITE

[www.cfgold.com](http://www.cfgold.com)

## STOCK CODE

Hong Kong Stock Exchange: 6693  
Shanghai Stock Exchange: 600988

## PRINCIPAL BANKS

Industrial Bank Co., Ltd. Beijing Shuangjing Branch  
China Minsheng Bank Hohhot Branch  
Industrial and Commercial Bank of  
China Chifeng Branch  
China Construction Bank Corporation  
Chifeng Ninglan Road Sub-branch  
China Merchants Bank  
Beijing Lize Business District Sub-branch  
Standard Chartered Bank (Hong Kong) Limited

# FIVE YEAR FINANCIAL SUMMARY

In this annual report, unless otherwise stated, monetary units are denominated in Renminbi ("RMB")

Financial statements for 2021-2025 are prepared under the CASBE and relevant regulations:

## RESULTS

For the year ended 31 December

RMB

|  | 2025                    | 2024                    | 2023                    | 2022                    | 2021                   |
|--|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|
| Operating income                                     | 12,638,506,229.12       | 9,025,821,822.22        | 7,220,951,536.26        | 6,266,787,257.00        | 3,782,624,088.21       |
| Less: Operating costs                                | 6,008,408,689.62        | 5,068,770,478.41        | 4,868,615,073.33        | 4,471,727,585.61        | 2,524,488,293.08       |
| Taxes and surcharges                                 | 726,881,645.95          | 473,039,848.61          | 389,017,743.62          | 283,984,264.09          | 157,752,854.49         |
| Selling expenses                                     | 252,666.85              | 348,745.14              | 689,058.34              | 720,336.20              | 777,443.88             |
| Administrative expenses                              | 584,210,837.63          | 492,286,721.36          | 461,372,054.59          | 502,383,714.19          | 235,281,731.89         |
| Research and development expenses                    | 117,241,958.61          | 63,615,898.70           | 51,752,511.95           | 27,651,940.43           | 24,846,569.86          |
| Finance expenses                                     | 48,227,376.68           | 155,363,874.45          | 193,139,295.18          | 137,303,927.76          | (87,287,989.68)        |
| Add: Other income                                    | 3,641,027.34            | 2,649,096.76            | 17,259,581.15           | 4,440,110.35            | 1,529,537.61           |
| Investment (losses)/income                           | (79,794,105.82)         | 78,893,850.40           | 13,500,965.81           | 61,558,916.59           | 14,147,606.20          |
| Including: Share of (losses)/profits of associates   | (281,499.71)            | 7,194,112.43            | 9,949,884.57            | (4,104,412.39)          | (10,849.79)            |
| Gains/(losses) on changes in fair value              | 112,244,504.91          | (26,345,013.94)         | (71,343,155.46)         | (11,913,594.16)         | (1,696,303.56)         |
| Credit impairment (losses)/reversal                  | (2,132,812.89)          | 1,666,368.75            | (2,440,041.07)          | (643,761.12)            | (1,983,887.29)         |
| Impairment losses on assets                          | (224,588,719.10)        | (4,897,057.61)          | (3,515,914.93)          | (41,722,617.28)         | (191,614,760.31)       |
| Gains/(losses) on disposal of non-current assets     | 485,274.72              | (51,568.59)             | (1,752,179.77)          | (2,453,353.91)          | (341,083.51)           |
| <b>Operating profit</b>                              | <b>4,963,138,222.94</b> | <b>2,824,311,931.32</b> | <b>1,208,075,054.98</b> | <b>852,281,189.19</b>   | <b>746,806,293.83</b>  |
| Add: Non-operating income                            | 403,196.14              | 1,035,053.08            | 1,148,042.18            | 8,137,029.15            | 42,113,881.16          |
| Less: Non-operating expenses                         | 37,669,929.59           | 5,944,891.02            | 2,966,125.01            | 38,265,106.79           | 17,911,836.87          |
| <b>Profit before tax</b>                             | <b>4,925,871,489.49</b> | <b>2,819,402,093.38</b> | <b>1,206,256,972.15</b> | <b>822,153,111.55</b>   | <b>771,008,338.12</b>  |
| Less: Income tax expenses                            | 1,478,483,521.99        | 833,437,504.30          | 335,209,980.20          | 328,132,229.57          | 156,966,634.90         |
| <b>Net profit</b>                                    | <b>3,447,387,967.50</b> | <b>1,985,964,589.08</b> | <b>871,046,991.95</b>   | <b>494,020,881.98</b>   | <b>614,041,703.22</b>  |
| <b>Attributable to shareholders of the parent</b>    | <b>3,082,367,791.68</b> | <b>1,764,339,650.99</b> | <b>803,933,636.60</b>   | <b>451,115,399.07</b>   | <b>582,582,242.45</b>  |
| <b>Attributable to non-controlling interests</b>     | <b>365,020,175.82</b>   | <b>221,624,938.09</b>   | <b>67,113,355.35</b>    | <b>42,905,482.91</b>    | <b>31,459,460.77</b>   |
| <b>Other comprehensive (loss)/income, net of tax</b> | <b>(197,493,708.86)</b> | <b>108,863,230.64</b>   | <b>109,453,224.65</b>   | <b>559,377,090.26</b>   | <b>(55,527,071.49)</b> |
| <b>Total comprehensive income</b>                    | <b>3,249,894,258.64</b> | <b>2,094,827,819.72</b> | <b>980,500,216.60</b>   | <b>1,053,397,972.24</b> | <b>558,514,631.73</b>  |
| Attributable to:                                     |                         |                         |                         |                         |                        |
| Shareholders of the parent                           | 2,932,697,275.35        | 1,845,341,462.85        | 882,988,365.62          | 868,078,858.27          | 533,240,613.48         |
| Non-controlling interests                            | 317,196,983.29          | 249,486,356.87          | 97,511,850.98           | 185,319,113.97          | 25,274,018.25          |

# FIVE YEAR FINANCIAL SUMMARY

*In this annual report, unless otherwise stated, monetary units are denominated in Renminbi ("RMB")*

## ASSETS AND LIABILITIES

31 December

RMB

|   | 2025              | 2024              | 2023              | 2022              | 2021             |
|---|-------------------|-------------------|-------------------|-------------------|------------------|
| Total assets                                      | 24,980,770,851.47 | 20,328,568,613.12 | 18,717,792,749.45 | 17,544,294,456.09 | 8,053,605,934.24 |
| Total liabilities                                 | 8,470,126,514.40  | 9,605,453,197.04  | 10,175,584,604.74 | 10,135,991,558.70 | 3,052,575,433.26 |
| Non-controlling interests                         | 3,095,455,458.84  | 2,806,304,380.91  | 2,390,218,024.04  | 2,220,733,338.76  | 380,614,119.43   |
| Equity attributable to shareholders of the parent | 13,415,188,878.23 | 7,916,811,035.17  | 6,151,990,120.67  | 5,187,569,558.63  | 4,620,416,381.55 |

## CASH FLOW

31 December

|                                     | 2025             | 2024             | 2023             | 2022             | 2021             |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Cash and cash equivalents           | 6,702,709,528.90 | 2,516,898,967.10 | 1,274,634,730.02 | 1,052,544,506.50 | 1,707,868,389.69 |
| Current ratio (%)                   | 275.29           | 158.09           | 131.51           | 125.29           | 280.12           |
| Quick ratio (%)                     | 199.78           | 88.56            | 64.60            | 56.26            | 171.14           |
| Account receivables turnover (days) | 15.22            | 22.25            | 22.29            | 11.48            | 1.61             |

# CHAIRMAN'S STATEMENT

Dear Shareholders, investors, and friends who care about the development of Chifeng Gold,

On behalf of the Board of Chifeng Gold, I would like to express my sincere gratitude to all of you for your long-term trust and support along the way!

The external environment in 2025 was full of uncertainties. We have always believed that the Company's greatest certainty comes from our unwavering commitment in demonstrating goodwill when addressing any issue and our ability to proactively adapt to change. Our team must not only be capable of responding to change but must also enthusiastically embrace it and proactively create it.

This year, the Company's net profit increased substantially, reaching a historical high. At the same time, the organizational structure and talent allocation have laid a solid foundation for the Company's long-term development.

## **I. FOCUSING ON LONG-TERM GOLD MINING BUSINESS, AVOIDING CHANGES BROUGHT BY SHORT-TERM DIVERSIFIED INVESTMENTS**

At the end of 2019, based on a profound understanding of gold as a strategic resource and the industry's development, the Board established the development direction of "investing only in gold," committing to becoming "a dedicated and professional gold mining company". Some called this "a desperate act", but we have always believed this is "doing the right thing for the long term".

Over the past few years, centering on our core development goals, we have resolutely divested non-mining assets, focusing all resources on exploration and reserve expansion, capacity expansion and production increase, and high-quality acquisitions. During this period, we faced various pressures, including temporarily high production costs, fluctuating operating performance, and tight cash flow. However, it was our determination and unwavering commitment in this chosen path that enabled Chifeng Gold to achieve a major transformation, aligning with the current trend of gold price volatility and preparing us for even greater fluctuations.

Without exceptional improvements in efficiency and effectiveness, it's just coping; significant changes signify true dedication and effort. In early March 2025, the Company completed its Hong Kong listing. This year, operating performance grew substantially, ESG ratings steadily improved, and operating cash flow continued to increase, making our development momentum more robust. These are the rich rewards for the team's long-term persistence, dedication, and hard work in the gold mining industry.

# CHAIRMAN'S STATEMENT

## II. DEMONSTRATING GOODWILL, ORGANIZATIONAL OPTIMIZATION, AND SYSTEMATIC CONSTRAINTS LEADING TO GOVERNANCE IMPROVEMENTS

2025 was a pivotal year for the upgrade and evolution of Chifeng Gold's governance system. The Hong Kong listing not only established an international platform for the Company but also served as a comprehensive compliance check. We continuously improved our internal control system, and actively accepted the supervision of the global capital market. Adhering to the principle of "internal transparency and external openness", we strive to demonstrate goodwill and respond to every trust and concern with higher standards.

The Company successfully completed the re-election of the Board of Directors and the appointment of senior management. A group of professional elites and management experts has joined the operations and governance team, injecting optimized momentum into the Company's project construction and high-quality development.

Upholding the philosophy that management is about enabling the team to fully demonstrate goodwill, we despise apathy and privilege. Our senior management has long been stationed at the mine frontline, living and dining with the miners. We strictly implement audits and supervision of personal expenses for senior management. Only when standardization, integrity, and uprightness become the norm and a habit can Chifeng Gold truly become a company worthy of investors' long-term followership, employees' long-term dedication, and society's concern.

## III. FORMING TRUE CORPORATE CONFIDENCE AMIDST PRESSURE, GROWING THROUGH CHANGE

The belief in demonstrating goodwill has led to steady improvement in Chifeng Gold's development, but we will not relax our pursuit of growth. In our growth, we are also earnestly reflecting: if we strip away the dividends from rising gold prices, what is the true substance of our endogenous growth?

Indulging in past achievements does not help focus on solving future problems. In 2026, we still face numerous challenges: the complex and rapidly changing international situation, intensified global competition for gold resources, the coexistence of pressure to increase production and control costs, and the tasks for tackling key projects are arduous. All these require us to go all out to find development opportunities amidst change and to develop better through change.

True confidence stems from the internal consciousness of continuous growth. The Chifeng Gold management team is forging this confidence amidst change and pressure, and will embrace the future with greater responsibility, the resolve to act immediately once decisions are made, and firmer confidence to create greater changes.

## CHAIRMAN'S STATEMENT

### **IV. UNCHANGED PHILOSOPHY: PERSISTENTLY DEMONSTRATING GOODWILL, LET MORE PEOPLE BENEFIT FROM THE DEVELOPMENT OF CHIFENG GOLD**

We embrace change and create change, but the value of “letting more people benefit from the development of Chifeng Gold” – the goodwill-demonstrating philosophy we uphold – has never changed. The atmosphere of our team, characterized by integrity, honesty, and dedication to work, will not change under any circumstances. All changes in the Company will revolve around the main management thread of “demonstrating goodwill” – doing everything for the people.

We will continue striving to substantially and continuously improve operating performance, enhance miners' welfare, increase cash dividends, and share development outcomes with Shareholders and workers.

We will continue to actively fulfill social responsibilities and support local economic and social development.

We will continue to treat every striver with care, ensuring that doers are rewarded, have dignity, and enjoy promising future.

We will continue to adhere to openness and mutual benefit, growing hand in hand with all partners and stakeholders.

Every year will be a year of growth and change for Chifeng Gold. With more determined efforts and more pragmatic endeavors, we will create greater changes for Chifeng Gold and an even better future year after year!

**Chifeng Jilong Gold Mining Co., Ltd.**

**Wang Jianhua**

*Chairman and Executive Director*





# BRIEF BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

## BOARD OF DIRECTORS

Our Board currently consists of ten Directors, including five executive Directors, one non-executive Director and four independent non-executive Directors. The Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term in office.

### *EXECUTIVE DIRECTORS*

#### **WANG JIANHUA (CHAIRMAN)**

**Mr. Wang Jianhua (王建华)**, aged 70, is the Chairman of the Board and executive Director of the Group. Chairman Wang is primarily responsible for the overall strategic planning, business direction, and operational management of the Company. Chairman Wang joined the Group in September 2018. Chairman Wang has extensive experience in the mining industry and is one of the first generation industry leaders advocating for eco-mining and large-scale mining in the PRC. Having proactively participated in various roles in the industry throughout his tenure, Chairman Wang has accumulated experience and skills for the overall operational management and strategic planning to promote the growth of the Company. Upon joining the Group, Chairman Wang successively held leadership roles as a Director of the Company from September 2018 to December 2019, Chairman of the Board since December 2019, and Chief Executive Officer of the Company from January 2022 to December 2022, respectively. Chairman Wang is a director of Chijin HK, a direct wholly owned subsidiary of the Company. Prior to joining the Group, Chairman Wang served in key roles at numerous renowned mineral companies. Chairman Wang was the Chairman of the board of directors of Shandong Gold Group Company Limited\* (山東黃金集團有限公司) from February 2006 to March 2013. Chairman Wang has also been an Executive Director and President of Zijin Mining Group Company Limited\* (紫金礦業集團股份有限公司) ("**Zijin Mining**"), a company dually listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2899) and the Shanghai Stock Exchange (stock code: 601899) from October 2013 to December 2016 and from June 2013 to December 2016, respectively. Chairman Wang also held the position of Chairman of Yunnan Baiyao Holdings Company Limited\* (雲南白藥控股有限公司) from April 2017 to May 2018.

Chairman Wang received a Master of Business Administration Degree from Nankai University in the PRC in December 2005. Chairman Wang also received a Master of Business Administration Degree from the China Europe International Business School in the PRC in October 2013. Chairman Wang obtained the qualification of a senior economist in 2001.

## BRIEF BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

### GAO BO

**Mr. Gao Bo (高波)**, aged 57, is Vice Chairman, executive Director and Chief Executive Officer of the Group. Mr. Gao is mainly responsible for the overall execution of our development strategy, daily operations and business development of the Group. Mr. Gao joined the Group in December 2012. Mr. Gao served as a director and Deputy General Manager of Jilong Mining from December 2010 to August 2013. Mr. Gao served as a Director and Deputy General Manager of the Company from December 2012 to February 2016 and served as a Director and General Manager of the Company from February 2016 to January 2020. Mr. Gao served as a Director and Executive President of the Company from January 2020 to January 2023, and then as a Director and Vice President of the Company from January 2023 to October 2025. Mr. Gao has been serving as Vice Chairman, executive Director and Chief Executive Officer from October 2025 onwards. Mr. Gao is also a director of Chijin Laos and LXML, both subsidiaries of the Company.

Mr. Gao received a Bachelor of Business Administration degree from the Northeastern University (東北大學) in the PRC by way of online learning in January 2019, and a Master of Business Administration degree from the Jilin University (吉林大學) in the PRC in December 2011. Mr. Gao obtained the qualification as a senior economist from the Bureau of Human Resources and Social Security of Jilin Province (吉林省人力資源和社會保障廳) in January 2013.

## BRIEF BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

### YANG YI-FANG

**Ms. Yang Yi-fang (楊宜方)** (also known as Lydia Yang), aged 49, is Vice Chairman and executive Director of the Group. Ms. Yang is an entrepreneur who embraces challenges and has nearly 20 years of experience in the global mining industry. Ms. Yang's attention to detail, prowess in skillful execution and wealth of expertise in strategic planning, corporate development, global mergers and acquisitions, management of overseas listed corporations and mine projects showcase her acute ability to generate value-generating solutions. Ms. Yang joined the Group in April 2019. Upon joining the Group, Ms. Yang has been serving as a director of Chijin HK, a direct wholly owned subsidiary of the Company, since April 2019. Ms. Yang has served as the Director of the Group from July 2022. Ms. Yang served as the Chief Executive Officer of the Company from January 2023 to October 2025. Ms. Yang has been serving as Vice Chairman from October 2025 onwards. Ms. Yang is also a director of GSWL and Chijin Laos, both subsidiaries of the Company. She also currently serves as a director in two non-significant subsidiaries of the Group with no business operations. Prior to joining the Group, Ms. Yang served as a Deputy General Manager of Gold Mountains (H.K.) International Mining Company Limited and a Deputy General Manager of the International Department of Zijin Mining from July 2007 to September 2010. Ms. Yang first served as the Head of the Business Development Department of CST Mining Group Limited ("**CST Mining**"), a company previously listed on the Main Board of the Hong Kong Stock Exchange until it was delisted in December 2023 (stock code: 0985) from October 2010 to October 2011. She then served as the Chief Executive Officer of CST Mining from September 2011 and concurrently served as an Executive Director of the company from October 2011 until her departure in January 2013. From May 2013 to April 2016, Ms. Yang served in management positions in various companies within the Zijin Mining group, including as the Chairperson of Xiamen Zijin Tongguan Investment Development Company Limited (廈門紫金銅冠投資發展有限公司), the Director and General Manager of Gold Mountains (H.K.) International Mining Company Limited, and the assistant to the Chairman of Zijin Mining. From June 2018 to April 2020, Ms. Yang served as an Executive Director and President of Hengxing Gold Holding Company Limited (恆興黃金控股股份有限公司), a company previously listed on the Main Board of the Hong Kong Stock Exchange until February 2021 (stock code: 2303) when it was acquired by Shandong Gold for around HK\$3 billion. Furthermore, Ms. Yang has significant operational experience in managing mines, including, for example, mines in the PRC, and CST Mining's Lady Annie Copper Mine in Australia and Mina Justa Copper Project in Peru. Aside from her wealth of managerial and operational experience, Ms. Yang's significant international, transactional and capital markets experience include, for example, being a driving force in a series of major deals when she served at CST Mining and Zijin Mining, including CST Mining's sale of the Mina Justa Copper Project in Peru for USD505 million to a subsidiary of Minsur S.A. – one of the largest transactions in that year.

Ms. Yang received a Bachelor of Arts degree from Tamkang University in Taiwan in June 2000.

## BRIEF BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

### LYU XIAOZHAO

**Mr. Lyu Xiaozhao (呂曉兆)** (former name: Lu Xiaozhao), aged 62, is Vice Chairman and executive Director of the Group. Mr. Lyu has long been committed to the development of mineral resources and the advancement of engineering technology management. Prior to joining our Group, he served as Deputy Secretary of the Party Committee, Executive Director, member of the Strategic Committee, and Deputy General Manager of Lingbao Gold Group Company Ltd.\* (靈寶黃金集團股份有限公司), a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3330) (“**Lingbao Gold**”). From December 2010 to August 2013, he served as director and General Manager of Chifeng Jilong Mining Co., Ltd. From December 2012 to February 2016, he held the positions of Director and General Manager at the Company. From February 2016 to December 2019, he served as Chairman of the Company. Between January 2020 and January 2022, he held the roles of Director and the Chief Executive Officer of the Company. From January 2022 to September 2023, he served as Co-Chairman of the Company. From September 2023 to October 2025, Mr. Lyu served as Vice President and Chief Engineer of the Company. Since September 2023, Mr. Lyu has been serving as Director. Since October 2025, Mr. Lyu has been serving as Vice Chairman. Mr. Lyu has served as a director of Xinhenghe Mining and Jintai Mining, both subsidiaries of the Company.

Mr. Lyu completed the postgraduate course in political economics (政治經濟學專業研究生) from Shaanxi Normal University (陝西師範大學) in the PRC in July 2004 and the course on Business Management for Executives (工商管理總裁研修班) from the Tsinghua University Corporation Cooperation Committee (清華大學與企業合作委員會) in the PRC in September 2003, and obtained a Master of Business Administration from the University of Northern Virginia in the United States of America in December 2007. Mr. Lyu is a senior mining engineer, a registered senior consultant, and a Certified China Professional Manager (CPM). He serves as Vice President of the China Gold Association, a member of the National Gold Standardization Technical Committee, Deputy Director of the 8th Committee of the Mine Geology Professional Committee of the Geological Society of China, and a member of the 1st Committee of the Overseas Resources Economic Geology Professional Committee under the Geological Society of China.

## BRIEF BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

### ZHAO QIANG

**Mr. Zhao Qiang (趙強)**, aged 49, is an executive Director and Vice President of the Group. Prior to joining our Group, he successively held several key positions at Lingbao Gold, including manager of the audit department, assistant to the general manager, director of the general manager's office, as well as executive manager and manager of the investment management department. He served as a director and Chief Financial Officer of Jilong Mining, a direct wholly owned subsidiary of the Company for December 2010 to October 2013. From December 2012 to January 2020, he served as a Director and Chief Financial Officer of the Company. Between January 2020 and January 2023, he concurrently held the positions of Director, Executive President, and Chief Financial Officer of the Company. From November 2022 to June 2024, he served as Vice Chairman of Chijin Xiawu, a holding subsidiary of the Company. Since June 2024, he has been serving as Chairman of Chijin Xiawu. Since October 2025, he has been serving as Director and Vice President of the Company. Mr. Zhao also serves as a director of Chixia Laos and Chijin Fengyu, both subsidiaries of the Company.

Mr. Zhao obtained a Master of Science in Applied Accounting and Finance, from Hong Kong Baptist University in November 2010, and a Master of Business Administration from the Central University of Finance and Economics, in June 2013. He is a Certified Public Accountant (CPA) in China, a Certified Tax Agent, a Certified Mining Rights Appraiser, and an International Certified Internal Auditor.

## BRIEF BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

### *NON-EXECUTIVE DIRECTOR*

#### **ZHANG XUDONG**

**Mr. Zhang Xudong (張旭東)**, aged 60, is a non-executive Director of the Group and previously served as an investment analyst at New England Mutual Life Insurance Company and held the position of Vice President in Corporate Finance at Bank of Boston, N.A. Subsequently, he served as Managing Director of the Corporate Finance Division and Chief Financial Officer for the Asia-Pacific region at Koch Industries, Inc. Mr. Zhang has also held leadership roles as Chairman and CEO of Anjia Group and Shanghai Anjia Investment Management Co., Ltd.\* (上海安家投資管理有限公司). He served as Managing Director at Deutsche Bank's Hong Kong Branch, where he was Head of Institutional Clients for China and Head of Global Equity Markets for China. Later, he joined Goldman Sachs Group as a Global Partner, serving as Head of the Securities Business Department in the Greater China Region and as a member of the Goldman Sachs China Management Committee. He has served as an Independent Director of Ping An Securities Co., Ltd. and Lufax Holding Ltd. Since September 2018, Mr. Zhang has served as Chairman and CEO of Tsing Jiao Information Science (Beijing) Co., Ltd.\* (華控清交信息科技(北京)有限公司). He served as an independent Director of the Company from February 2020 to January 2022 and has been a non-executive Director of the Company since January 2022.

Mr. Zhang received his Master's Degree in Economics from Southern New Hampshire University (formerly known as New Hampshire College) in September 1990.

## BRIEF BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### HU NAILIAN

**Prof. Hu Nailian (胡乃連)** (former name: 胡乃聯), aged 70, is an independent non-executive Director of the Group and is responsible for supervising and providing independent advice to the Board. Prof. Hu joined the Group in January 2022. Prof. Hu is a level 2 professor and a doctoral supervisor at the University of Science and Technology Beijing. His primary areas of teaching and research include mining systems engineering, mine informatization and intelligent technologies, and mining technology economics. From 1996 to 2017, he held several leadership positions at the university, including director of the Systems Engineering Research Laboratory, director of the Institute of Mining, head of the Department of Resource Engineering, and deputy dean of the School of Civil and Resource Engineering. He has also served in prominent academic roles, such as deputy director of the Professional Committee on Mine Informatization and Intelligentization under the China Nonferrous Metals Society, and as a member of the editorial board of the journal “Gold Science and Technology.”

Prof. Hu received a Bachelor’s Degree in Mining Engineering and a Master’s Degree in Engineering from the Beijing Institute of Iron and Steel Engineering in January 1982 and December 1985 respectively in the PRC.

#### WONG YET PING, AMBROSE

**Dr. Wong Yet Ping, Ambrose (黃一平)**, aged 46, is the Lead Independent Non-executive Director of the Group and is responsible for supervising and providing independent advice to the Board. Dr. Wong holds a Doctoral in Business Administration from The Hong Kong Polytechnic University. He is a Fellow Member of the Hong Kong Institute of Certified Public Accountants (FCPA) and a Member of CPA Australia. He possesses extensive professional knowledge and experience in finance, auditing, and risk management.

He previously served as Vice President of Risk Management in the Commercial Banking Division of The Hongkong and Shanghai Banking Corporation Limited; Associate Director of the Standard Setting Department of the Hong Kong Institute of Certified Public Accountants; Director of Quality and Risk Management at KPMG China; and Director at a financial regulatory authority in Hong Kong, where he was responsible for industry policy and regulatory matters.

He is currently a Principal of Ng, Suen & Lau CPA Limited. Since August 2024, he has been serving as an independent non-executive Director of the Company.

Dr. Wong received a Bachelor’s Degree in Commerce from the University of Melbourne in Australia in December 2001, and completed a Doctoral Degree in Business Administration in the Hong Kong Polytechnic University in October 2023.

## BRIEF BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

### LI HOUMIN

**Dr. Li Houmin (李厚民)**, aged 63, is an independent non-executive Director of the Group and is responsible for supervising and providing independent advice to the Board. Dr. Li has long been engaged in research on metallogenesis, mineralization regularities, and the assessment and prediction of mineral resources. He has served as chief scientist for key national research and development programs and major projects of the China Geological Survey, and has led multiple national initiatives, including those funded by the National Natural Science Foundation of China. He has published numerous scholarly articles in domestic and international academic journals and has been awarded two first prizes for scientific and technological progress at the provincial and ministerial level. His professional experience includes positions as a technical staff member at the Northwest Institute of Nonferrous Metal Geological Research\* (西北有色地質研究所), Associate Professor at Xi'an Institute of Geology (now Chang'an University), and Researcher at the Institute of Mineral Resources, Chinese Academy of Geological Sciences. From 2002 to 2004, he conducted postdoctoral research at the Postdoctoral Research Station of China University of Geosciences Beijing.

Dr. Li received his Ph.D. in Science from Chinese Academy of Sciences in July 2022. He possesses postgraduate qualifications. He currently serves as a doctoral supervisor at the Institute of Mineral Resources, Chinese Academy of Geological Sciences.

### JIANG QI

**Dr. Jiang Qi (蔣琪)**, aged 52, is an independent non-executive Director of the Group and is responsible for supervising and providing independent advice to the Board. Dr. Jiang primary practice areas encompass banking and finance, international trade, and dispute resolution. He previously served as party secretary, president, and senior partner of Beijing DHH Law Firm. From January 2020 to April 2022, he served as an independent director of Shandong Hiking International Co., Ltd.\* (山東新華錦國際股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600735). Since 6 September 2021, he has served as an independent director of Bethel Automotive Safety Systems Co., Ltd.\* (蕪湖伯特利汽車安全系統股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603596). Since 26 June 2023, he has served as an independent non-executive director of SinoOcean Group Holding Limited (遠洋集團控股有限公司), a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3377). Since 2021, he has been serving as chairman of the Board of Directors of Hylands Law Firm. Starting in 2025, he has concurrently assumed the roles of Director and Managing Partner at Hylands (Shanghai) Law Firm.

Dr. Jiang received a Bachelor of Laws from Yantai University in July 1995, a Master of Laws from Temple University in the United States in November 2008, and a Ph.D. in Laws from the University of International Business and Economics in June 2018. He is a licensed legal practitioner with formal professional qualifications.

As disclosed in the Company's 2024 annual report, reference is made to the announcement of the Company dated 24 March 2025 in relation to, among other things, the Company received the Decision on Issuing Warning Letter Measures to Chifeng Jilong Gold Mining Co., Ltd. and Relevant Responsible Persons ([2025] No. 10 Decision Letter on Administrative Regulatory Measures) ((關於對赤峰吉隆黃金礦業股份有限公司及相關責任人員採取出具警示函措施的決定》([2025]10 號行政監管措施決定書)) (the "**Decision Letter**") issued by the Inner Mongolia Bureau (the "**Securities Regulatory Bureau of Inner Mongolia**") of the CSRC to the Company, its Directors, namely Mr. Wang Jianhua and Ms. Yang Yi-fang, and the secretary of Board of Directors, namely Mr. Dong Shubao.

## BRIEF BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

According to the Decision Letter, Hanfeng Mining, a wholly owned subsidiary of the Company, suspended production for two months in the first quarter of 2023 due to the renovation of production facilities. The Company failed to disclose such information in a timely manner, delaying its disclosure until the release of the 2023 First Quarter Report on 30 April 2023 (the “**Incident**”).

The Securities Regulatory Bureau of Inner Mongolia issued an administrative regulatory measure of a warning letter to the Company, Mr. Wang Jianhua, the Chairman of the Board, Ms. Yang Yi-fang, executive Director, and Mr. Dong Shubao, the Board Secretary. The Company has organized and urged relevant personnel to study the relevant laws, regulations and normative documents as required by the Decision Letter, and submit a written rectification report to the Securities Regulatory Bureau of Inner Mongolia on time. The Company will continue to urge relevant personnel to fulfill the obligation of diligence and responsibility, continuously improve the level of standardized operation and the quality of information disclosure,

Based on the information available to the Company, the above matters have no material adverse impact on the business operations and financial position of the Group.

Each of Mr. Wang, Ms. Yang and Mr. Dong has confirmed to the Company that, save as disclosed in the Company’s announcement dated 24 March 2025, there is no information relating to them which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to them that need to be brought to the attention of the Shareholders.

According to the views of the Company’s PRC legal advisor, each of Mr. Wang’s and Ms. Yang’s eligibility as director or senior management of a PRC-incorporated company (including a company listed on the Shanghai Stock Exchange) are not prejudiced in any way as a result of the Decision Letter. According to the PRC Company Law, there are seven circumstances that would affect a person’s eligibility for appointment of directors and senior management. The Company’s PRC legal advisor confirmed that the Decision Letter does not fall into any of the aforementioned circumstances. Meanwhile, according to the Measures for Implementing the Regulatory Measures for the Securities and Futures Markets (for Trial Implementation) (《證券期貨市場監督管理措施實施辦法(試行)》) (the “**Measures**”), the Decision Letter was neither an administrative penalty by the CSRC nor a disciplinary action imposed by the Shanghai Stock Exchange.

According to the Measures, the issuance of the warning letter by the authority is an administrative supervisory measure that the implementation agency informs the party concerned in written form of the relevant risk status or facts of illegal acts, warns it to pay attention to the business risks and requires it to take remedial measures in a timely manner. Accordingly, the purpose of the issuance of the Decision Letter was to remind the Company and the relevant directors and/or senior management to pay attention to the business risks associated with the Incident, and not to penalize the addressees of the Decision Letter. No administrative penalty was imposed on the Company, Mr. Wang, Ms. Yang, or Mr. Dong, and each of Mr. Wang, Ms. Yang and Mr. Dong remains qualified to serve as a Director of the Company and Board Secretary, respectively.

After the Incident, there had been enhanced internal control measures in place to address and aim to prevent the recurrence of the issues pertaining to the Incident. In light of the aforementioned, the Company is of the view that both of Mr. Wang and Ms. Yang remain suitable to serve as Director of the Company.





## BRIEF BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

### SENIOR MANAGEMENT

#### CHAIRMAN

#### **WANG JIANHUA**

#### VICE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

#### **GAO BO**

#### VICE CHAIRMAN

#### **YANG YI-FANG**

#### VICE CHAIRMAN

#### **LYU XIAOZHAO**

#### VICE PRESIDENT

#### **ZHAO QIANG**

For biographical details of Mr. Wang Jianhua, Mr. Gao Bo, Ms. Yang Yi-fang, Mr. Lyu Xiaozhao and Mr. Zhao Qiang, see “Board of Directors – Executive Directors” in this section. The details of each of the other senior management members are set out below.

#### VICE PRESIDENT

#### **ZHOU XINBING**

**Mr. Zhou Xinbing (周新兵)**, aged 49, joined the Group in December 2012 and was appointed Vice President of the Group in January 2023.

Mr. Zhou successively served as a Manager of the Securities and Legal Department of Jilong Mining, a direct wholly owned subsidiary of the Company, Manager of Legal Department and Representative of Securities Affairs of the Group from October 2010 to April 2013. Mr. Zhou then served as Board Secretary of the Group from April 2013 to January 2022. Mr. Zhou then served as an Executive President of the Group from January 2022 to January 2023. Since August 2022, Mr. Zhou has been serving as a director of Chijin HK, a direct wholly owned subsidiary of the Company. Since January 2023, Mr. Zhou has served as Vice President of the Group.

Mr. Zhou received a Bachelor of Laws Degree from Renmin University of China in June 2011. Mr. Zhou obtained Legal Professional Qualification granted by the Ministry of Justice of the People’s Republic of China in February 2008.

# BRIEF BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

## VICE PRESIDENT, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

### WONG HOK BUN MARIO

**Mr. Wong Hok Bun Mario (黃學斌)**, aged 46, joined the Group in July 2023 and was appointed as the Chief Financial Officer in July 2023 and the Vice President of the Group in September 2023. In addition, Mr. Wong serves as the Company Secretary of the Company. Mr. Wong is primarily responsible for the financial strategy, financial reporting, the listing compliance of the Company and H Share investor relation of the Group.

Mr. Wong has 24 years of experience in auditing, accounting, financial management, and corporate finance. Prior to joining the Group, he worked at Zijin Mining as Deputy General Manager of Finance Department from September 2008 to December 2010 and served as the Financial Controller and the Company Secretary of its associated company, Monterrico Metals plc. He then served as the Group Financial Controller of CST Mining from December 2010 to July 2014. He served consecutively as the Vice President from March 2015 to December 2015, the Company Secretary from July 2015 to August 2018, the Executive Director and the Chief Financial Officer from December 2015 to August 2018 of Deep Source Holdings Limited (“**Deep Source**”, previously known as Theme International Holdings Limited), a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0990). Mr. Wong then served as the Chief Financial Officer of Jinchuan Group International Resources Company Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2362), from November 2018 to July 2023 and the Company Secretary from September 2018 to July 2023. Mr. Wong served as an Independent Non-executive Director of Good Resources Holdings Limited, a company previously listed on the Main Board of the Hong Kong Stock Exchange until May 2022 (stock code: 0109) from May 2017 to June 2022. Since 6 December 2024, Mr. Wong has been appointed as an Independent Non-executive Director of Deep Source. Since 16 May 2025, Mr. Wong has been appointed as an Independent Non-executive Director of Yunnan Jinxun Resources Co., Ltd. (a company dually listed on the National Equities Exchange and Quotations (stock code: 870844), and listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3636)). Since 20 August 2025, Mr. Wong has been appointed as an Independent Non-executive Director of Jiaxin International Resources Investment Limited (a company dually listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3858) and the “Belt and Road” board of the Astana International Exchange in Kazakhstan (stock code: JXIR.AIX)).

Mr. Wong received a Bachelor’s Degree in Economics and Finance from the University of Hong Kong in November 2001. He has been a Member of the Hong Kong Institute of Certified Public Accountants since July 2005 (and subsequently as a Fellow Member since July 2013), a Chartered Financial Analyst since December 2008 and a Member of The Australasian Institute of Mining and Metallurgy since May 2015.

## BRIEF BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

### VICE PRESIDENT

#### CHEN ZHIYONG

**Mr. Chen Zhiyong** (陳志勇), aged 52, joined the Group in August 2018 and has been serving as a Vice President of the Group since September 2023.

Upon joining the Group, Mr. Chen served as a Deputy General Manager of the international mining division of the Group and director and Deputy General Manager of LXML, an indirect non-wholly owned subsidiary of the Company, from August 2018 to January 2021. Mr. Chen served as the Vice President of the Group from January 2021 to January 2022. From January 2022 to September 2023, he served as executive Director and Chief Executive Officer of the Group. Since September 2023, Mr. Chen served as Vice President of the Group. Prior to joining the Group, Mr. Chen served as a Deputy General Manager of Soremi Investment Company Limited (索瑞米投資有限公司), a subsidiary of Zhongjin Gold Corp Limited\* (中金黃金股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600489)), from February 2014 to August 2018.

Mr. Chen received a Bachelor's Degree in Engineering from Hunan University (湖南大學) in 1996, and dual Master of Business Administration Degrees from Peking University in the PRC and National University of Singapore in 2003.

### BOARD SECRETARY

#### DONG SHUBAO

**Mr. Dong Shubao** (董淑寶), aged 43, joined the Group in December 2012 and was appointed as the Board Secretary of the Group in January 2022. Mr. Dong is responsible for overall information disclosure and A share investor relations of the Group.

Mr. Dong worked in the Marketing Department and Securities and Legal Department of Jilong Mining, a direct wholly owned subsidiary of the Company, from March 2012 to December 2012. Mr. Dong successively served as a staff member, Deputy Manager, and Manager of the Securities and Legal Department of the Group from December 2012 to September 2018. Mr. Dong then held the position as a Manager of Securities and Legal Department and Representative of Securities Affairs of the Group from September 2018 to January 2022.

Mr. Dong received a Bachelor's Degree in Political Science and Public Administration Studies from Shandong University of Technology (山東理工大學) in the PRC in July 2005, and a Master's Degree in International Politics from Central China Normal University (華中師範大學) in the PRC in June 2009. Mr. Dong obtained the Board Secretary Qualification granted by the Shanghai Stock Exchange in September 2013 and the qualification of Mining Rights Valuer from the Mineral Resources/Reserves and Property Assessment Professional in the PRC from the Mining Rights Valuer Association in the PRC in March 2023.

\* For identification purpose only

# RESOURCES AND RESERVES

The Company achieved significant growth in the following main types of minerals. These increases are due to the contributions from new projects, as well as resource expansion from resource model updates and pit optimization for existing projects, based on input parameters including new exploration data and prices.

| Mineralized zone                       | Main type of mineral                             | Resources                        |                 |                              | Reserves                         |                 |                              | Remaining explorable years of resources | Number of license/ mining right (expiry date of the license/ mining right)                             |
|--|--|----------------------------------|-----------------|------------------------------|----------------------------------|-----------------|------------------------------|---|--|
|  |  | Ore quantity<br>(million tonnes) | Grade<br>g/T; % | Metal volume<br>(tonnes; Kt) | Ore quantity<br>(million tonnes) | Grade<br>g/T; % | Metal volume<br>(tonnes; Kt) |   |  |
| Jilong Mining's Zhuanshanzi Gold Mine  | Gold   | 2.06                             | 10.46           | 21.6                         | 1.31                             | 7.65            | 10                           | 8.6                                     | 2 mining rights<br>(2026.09.27)<br>(2032.03.27)<br>1 exploration right                                 |
| Wulong Mining's Wulong Gold Mine       | Gold   | 3.54                             | 7.91            | 28.0                         | 0.99                             | 9.24            | 9.18                         | 22                                      | 2 mining rights<br>(2035.08.04)<br>(2034.08.28)<br>2 exploration rights                                |
| Huatai Mining's Honghuagou Gold Mine   | Gold   | 3.81                             | 7.01            | 26.7                         | 1.69                             | 6.20            | 10.50                        | 14                                      | 6 mining rights<br>(2044.06.05)<br>(2027.09.14)<br>(2025.09.05)<br>(3 of them: 2025.11.17)<br>(Note 3) |
| Jintai Mining's Xidengping Gold Mine   | Gold   | 29.78                            | 0.60            | 18.0                         | 11.15                            | 0.91            | 10.17                        | 40                                      | 2 mining rights<br>(2032.06.06)<br>(2035.03.06)<br>1 exploration right                                 |
| Hanfeng Mining's Lishan Mine           | Zinc   |                                  | 2.78            | 540                          | 3.08                             | 2.46            | 75.74                        |   | 1 mining right<br>(2050.08.27)   |
|  | Copper   | 19.38                            | 0.07            | 14                           | -                                | -               | -                            | 31                                      |  |
|  | Lead   |                                  | 0.12            | 24                           | -                                | -               | -                            |   |  |
| Hanfeng Mining's Dongfeng Mine         | Molybdenum                                       | 65.37                            | 0.12            | 79.25                        | -                                | -               | -                            | 33                                      | 1 mining right<br>(2030.02.24)   |
| Ghana Wassa Gold Mine                  | Gold   | 193.21                           | 1.87            | 360                          | 30.61                            | 1.41            | 43.06                        | 71                                      | 3 mining rights<br>(2047.01.25)<br>(2 of them: 2031.08.24)<br>4 exploration rights                     |
| Laos LXML's Sepon Gold and Copper Mine | Gold   | 15.08                            | 3.84            | 58                           | 11.96                            | 1.91            | 22.85                        | 5                                       | 1 mining right<br>(2033.09.29)<br>1 exploration right  |
|  | Copper   | 18.22                            | 1.34            | 244                          | 5.32                             | 1.69            | 90.09                        | 12                                      |  |
|  | Gold and Copper<br>(SND project equivalent gold) | 131.50                           | 0.81            | 106.90                       | -                                | -               | -                            | /                                       |  |
|  | Rare earth                                       | 90.57                            | 352.43          | 31.92                        | -                                | -               | -                            | /                                       |  |
| Laos Mengkham Rare Earth Mine          | Rare earth                                       | 124.69                           | 238.04          | 29.68                        | -                                | -               | -                            | 7                                       | 1 trial mining license<br>(2025.12) (Note 3)<br>1 exploration right                                    |

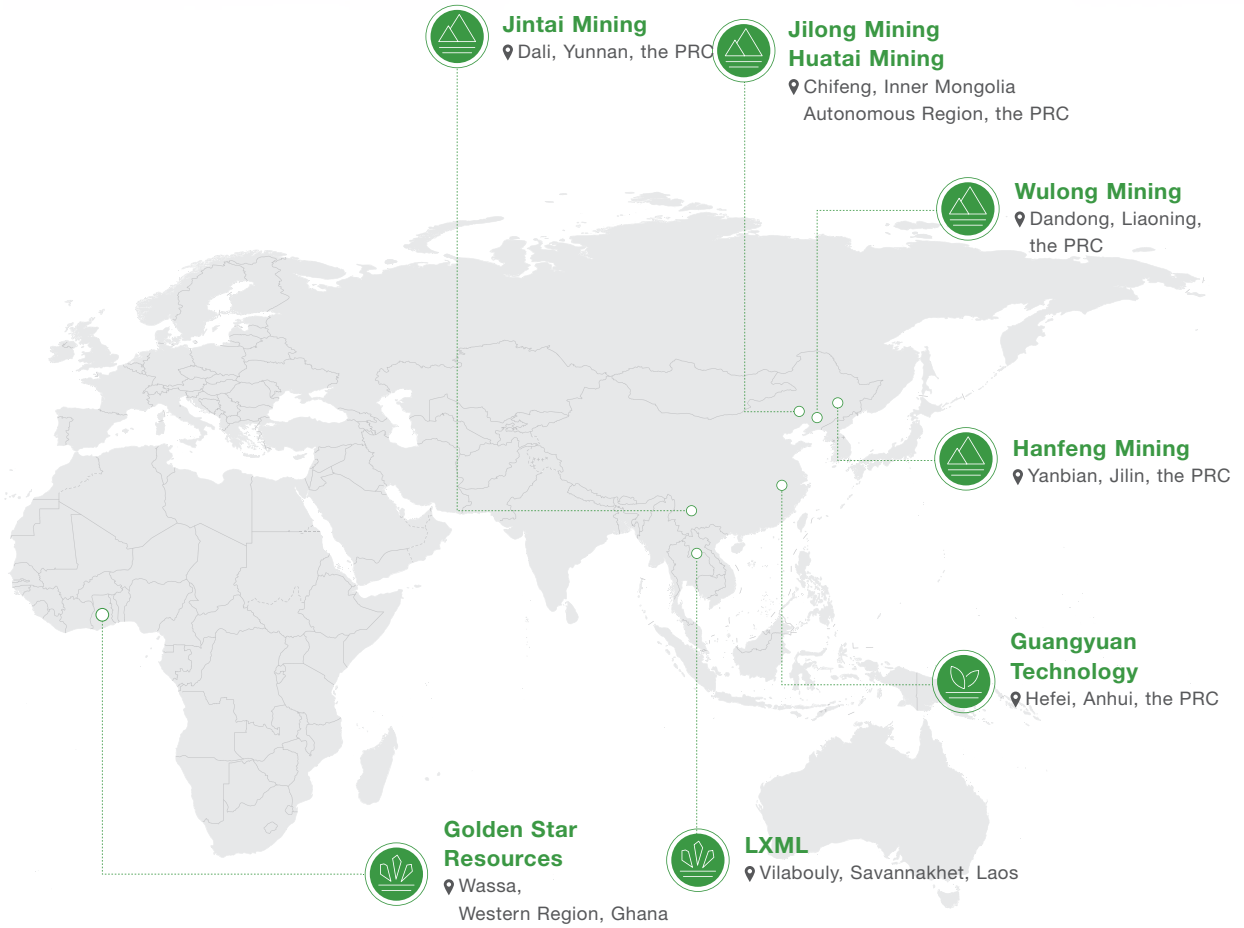
## RESOURCES AND RESERVES

*Notes:*

1. The Company has appointed SRK Consulting China Ltd. (“**SRK**”) to update the mineral resources and ore reserves of the Company’s mining asset projects located in the PRC, Ghana, and Laos as of the data cutoff date of 31 December 2025, and submit a summary of the mineral resources data and key assumptions for 2025.
2. The retained resources and reserves are the total amounts not converted by equity. During the Year, retained resources and reserves were presented based on 100% of controlled enterprises. Resources include reserves. The additional resources from certain exploration projects for which formal reports have not yet been submitted are temporarily excluded from the retained resources.
3. The renewal of permits that have expired or are approaching expiration are being handled in accordance with relevant laws and regulations, and the Company does not expect any legal impediment in the renewal process for such permits.
4. Gold metal quantity unit: tonnes; copper, zinc, lead, molybdenum metal quantity and rare earth oxides unit: thousand tonnes; gold grade unit: g/t; copper, zinc, lead, molybdenum grade unit: %; rare earth oxides grade unit: g/t.

# RESOURCES AND RESERVES

## INDUSTRIAL FOOTPRINT



# RESOURCES AND RESERVES



To: Chifeng Jilong Gold Mining Co., Ltd.

Subject: A summary of the mineral resources and ore reserves data and key assumptions for 2025

## 1 INTRODUCTION

Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as “**Chifeng Gold**”, the “**Company**” or the “**Client**”) has entrusted SRK Consulting China Ltd. (“**SRK**”) to update the mineral resources and ore reserves of its mining asset projects located in China, Ghana, and Laos (the “**Project**”) as of the data cutoff date of 31 December 2025 under the guidance of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (“**JORC Code**”, the 2012 Edition), and submit a summary of the mineral resources data and key assumptions for 2025. The mining assets included are as follows, as confirmed by the Company and SRK:

China Projects: the mining projects of the Company and its subsidiaries operating in China include Chifeng Jilong Mining Co., Ltd. (“**Jilong**”), Chifeng Huatai Mining Co., Ltd. (“**Huatai**”), Liaoning Wulong Gold Mining Co., Ltd. (“**Wulong**”), Jilin Hanfeng Mining Technology Co., Ltd. and Eryuan Jintai Mining Development Co., Ltd. (“**Jintai**”), which are located in Inner Mongolia Autonomous Region (“**Inner Mongolia**”), Liaoning Province, Jilin Province, and Yunnan Province in the PRC, respectively.

Laos Project: Refers to the mineral projects of Chifeng Gold in Laos (the “**Laos Project**”), which includes two types of projects: the Sepon Gold and Copper Mine project (the “**Sepon Gold and Copper Mine Project**”) and the SND Project of Lane Xang Minerals Limited Company (“**LXML**”), in which LXML is held by Chifeng Gold through its wholly-owned subsidiary CHIJIN Laos Holdings Limited with a 90% equity stake, while the Lao government holds 10% equity stakes. The Sepon Gold and Copper Mine Project is located in Savannakhet Province of Laos and comprises a production project that integrates both open-pit and underground mining operations, SND gold and copper exploration project, as well as gold and copper processing facilities. Additionally, there are two rare earth mine projects: (1) a rare earth mine project within the Sepon mining rights area (“**Sepon Rare Earth Element Project**”), which is an exploration project; and (2) Mengkham Rare Earth Element Project (“**Mengkham Rare Earth Element Project**”) in the Kham District of Xiangkhouang Province operated by the joint venture, namely Chijin Xiawu, between Chifeng Gold and Xiamen Tungsten Co., Ltd.

Ghana Project: Specifically refers to the Wassa Gold Mine Project of Golden Star Resources (“**Ghana Project**”), located in Akyempim in the western region of Ghana. This is a multi-deposit open-pit and underground production project.

SRK authorizes Chifeng Jilong Gold Mining Co., Ltd. to incorporate this document into its 2025 annual report in the format provided by us for disclosure, and it shall not be used for any other purpose.

# RESOURCES AND RESERVES

## 2 COMPETENT PERSON

**Table 2-1: Competent Persons for Mineral Resources and Ore Reserves**

| <b>Name of project</b> | <b>Responsibilities</b>  | <b>Competent Persons</b> | <b>Professional Membership</b> |
|------------------------|--------------------------|--------------------------|--------------------------------|
| China Projects         | Mineral Resources Review | Dr. Jia Yiefei           | FAusIMM                        |
|                        | Mineral Resources Review | Zhao Yanfang             | MAusIMM, MAIG                  |
|                        | Mineral Resources Review | Li Huaixiang             | MAIG                           |
|                        | Ore Reserves Review      | Hu Falong                | FAusIMM                        |
|                        | Ore Reserves Review      | Chuang Tzuhsuan          | MAusIMM                        |
| Laos Project           | Mineral Resources Review | Xiao Pengfei             | FAusIMM, MAIG                  |
|                        | Mineral Resources Review | Dr. Anson Xu             | FAusIMM                        |
|                        | Mineral Resources Review | Hou Yongchun             | MAusIMM                        |
|                        | Ore Reserves Review      | Lu Erwei                 | MAusIMM                        |
| Ghana Project          | Mineral Resources Review | Ivan Doku                | Pr.Sci.Nat<br>(SACNASP)        |
|                        | Mineral Resources Review | Ali Rudaki               | Pr.Eng (ECSA)                  |
|                        | Ore Reserves Review      | Chuang Tzuhsuan          | MAusIMM                        |

*Note:*

- 1 The information in this report that relates to mineral resources and ore reserves is based on information compiled by the Competent Persons mentioned above, who are members or fellows of the Australasian Institute of Mining and Metallurgy (AusIMM), the South African Council for Natural Scientific Professions (SACNASP), the Engineering Council of South Africa (ECSA) and other recognized professional organizations (RPO) and have sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition). All Competent Persons have agreed to include matters based on their information in the report in the form and content as indicated in their information.

# RESOURCES AND RESERVES

## 3 SUMMARY OF CHANGES (31 DECEMBER 2025)

### 3.1 Mineral resources

The changes in mineral resources as at 31 December 2025 are summarized in this section, highlighting the most significant variations due to various reasons. The Group's Mineral resources for 2025 compared to 2024 are presented in Table 3-1.

**Table 3-1: Comparison of Mineral Resources as at 31 December 2025 and 31 December 2024 (Gold)**

| Name of mine                     | Category  | 2024          |                |                        |                          | 2025          |                |                        |                          | Metal Contained: 2025 as compared to 2024 (%) |
|----------------------------------|-----------|---------------|----------------|------------------------|--------------------------|---------------|----------------|------------------------|--------------------------|---|
|                                  |           | Tonnage (kt)  | Au Grade (g/t) | Au Metal Contained (t) | Au Metal Contained (koz) | Tonnage (kt)  | Au Grade (g/t) | Au Metal Contained (t) | Au Metal Contained (koz) |   |
| Jilong Mining's                  | Measured  | 501           | 13.45          | 7                      | 217                      | 440           | 13.16          | 6                      | 186                      |   |
| Zhuanshanzi                      | Indicated | 450           | 10.89          | 5                      | 157                      | 661           | 10.15          | 7                      | 216                      |   |
| Gold Mine                        | Inferred  | 511           | 11.74          | 6                      | 193                      | 960           | 9.44           | 9                      | 291                      |   |
| <b>Total</b>                     |           | <b>1,461</b>  | <b>12.07</b>   | <b>18</b>              | <b>567</b>               | <b>2,062</b>  | <b>10.46</b>   | <b>22</b>              | <b>693</b>               | <b>22</b>                                     |
| Wulong Mining's                  | Measured  | -             | -              | -                      | -                        | -             | -              | -                      | -                        |   |
| Wulong                           | Indicated | 1,553         | 8.39           | 13                     | 419                      | 1,510         | 8.53           | 13                     | 414                      |   |
| Gold Mine                        | Inferred  | 2,060         | 7.37           | 15                     | 488                      | 2,027         | 7.46           | 15                     | 485                      |   |
| <b>Total</b>                     |           | <b>3,613</b>  | <b>7.81</b>    | <b>28</b>              | <b>907</b>               | <b>3,537</b>  | <b>7.91</b>    | <b>28</b>              | <b>899</b>               | <b>-0.9</b>                                   |
| Huatai Mining's                  | Measured  | 385           | 5.88           | 2.27                   | 73                       | 385           | 5.88           | 2.27                   | 73                       |   |
| Honghuagou                       | Indicated | 2,146         | 7.27           | 15.6                   | 502                      | 2,146         | 7.27           | 15.6                   | 502                      |   |
| Gold Mine                        | Inferred  | 1,281         | 6.90           | 8.83                   | 284                      | 1,281         | 6.90           | 8.83                   | 284                      |   |
| <b>Total</b>                     |           | <b>3,812</b>  | <b>7.01</b>    | <b>26.71</b>           | <b>859</b>               | <b>3,812</b>  | <b>7.01</b>    | <b>26.71</b>           | <b>859</b>               | <b>0</b>                                      |
| Jintai Mining's                  | Measured  | 3,363         | 1.68           | 6                      | 181                      | 5,530         | 1.14           | 6                      | 203                      |   |
| Xidengping                       | Indicated | 4,516         | 1.02           | 5                      | 148                      | 12,987        | 0.55           | 7                      | 231                      |   |
| Gold Mine                        | Inferred  | 2,691         | 1.30           | 3                      | 112                      | 11,265        | 0.38           | 4                      | 136                      |   |
| <b>Total</b>                     |           | <b>10,571</b> | <b>1.30</b>    | <b>14</b>              | <b>441</b>               | <b>29,782</b> | <b>0.60</b>    | <b>18</b>              | <b>570</b>               | <b>29</b>                                     |
| LXML's Sepon                     | Measured  | 162           | 8.76           | 1                      | 46                       | 4,704         | 5.29           | 25                     | 800                      |   |
| Gold and Copper                  | Indicated | 6,804         | 4.31           | 29                     | 943                      | 4,874         | 2.22           | 11                     | 347                      |   |
| Mine (excluding the SND Project) | Inferred  | 4,694         | 3.78           | 18                     | 569                      | 5,500         | 4.03           | 22                     | 712                      |   |
| <b>Total</b>                     |           | <b>11,660</b> | <b>4.16</b>    | <b>48</b>              | <b>1,558</b>             | <b>15,078</b> | <b>3.84</b>    | <b>58</b>              | <b>1,859</b>             | <b>19</b>                                     |

# RESOURCES AND RESERVES

| Name of mine          | Category  | 2024           |                |                        |                          | 2025           |                |                        |                          | Metal Contained:<br>2025 as compared to 2024 (%) |
|-----------------------|-----------|----------------|----------------|------------------------|--------------------------|----------------|----------------|------------------------|--------------------------|--|
|                       |           | Tonnage (kt)   | Au Grade (g/t) | Au Metal Contained (t) | Au Metal Contained (koz) | Tonnage (kt)   | Au Grade (g/t) | Au Metal Contained (t) | Au Metal Contained (koz) |  |
| Ghana Wassa Gold Mine | Measured  | 6,409          | 3.04           | 19                     | 627                      | 21,913         | 1.67           | 37                     | 1,175                    |  |
|                       | Indicated | 9,675          | 3.15           | 31                     | 980                      | 31,733         | 1.64           | 52                     | 1,677                    |  |
|                       | Inferred  | 60,842         | 3.37           | 205                    | 6,603                    | 139,561        | 1.95           | 272                    | 8,734                    |  |
| <b>Total</b>          |           | <b>76,925</b>  | <b>3.32</b>    | <b>255</b>             | <b>8,209</b>             | <b>193,207</b> | <b>1.87</b>    | <b>360</b>             | <b>11,586</b>            | <b>41</b>  |
| <b>Total</b>          | Measured  | 10,820         | 3.28           | 36                     | 1,143                    | 32,973         | 2.30           | 76                     | 2,438                    |  |
|                       | Indicated | 25,144         | 3.90           | 98                     | 3,149                    | 53,911         | 1.95           | 105                    | 3,386                    |  |
|                       | Inferred  | 72,079         | 3.56           | 257                    | 8,249                    | 160,594        | 2.06           | 331                    | 10,643                   |  |
| <b>Total</b>          |           | <b>108,043</b> | <b>3.61</b>    | <b>390</b>             | <b>12,541</b>            | <b>247,478</b> | <b>2.07</b>    | <b>512</b>             | <b>16,467</b>            | <b>31</b>  |

**Table 3-2: Comparison of Mineral Resources as at 31 December 2025 and 31 December 2024 (Copper, Lead and Zinc)**

| Name of mine                 | Category  | 2024          |              |                         |              |                         |              |                         |               | 2025         |                         |              |                         |              |                         | Metal Contained:<br>2025 as compared to 2024 |                        |                        |
|------------------------------|-----------|---------------|--------------|-------------------------|--------------|-------------------------|--------------|-------------------------|---------------|--------------|-------------------------|--------------|-------------------------|--------------|-------------------------|--|------------------------|------------------------|
|                              |           | Tonnage (kt)  | Zn Grade (%) | Zn Metal Contained (kt) | Cu Grade (%) | Cu Metal Contained (kt) | Pb Grade (%) | Pb Metal Contained (kt) | Tonnage (kt)  | Zn Grade (%) | Zn Metal Contained (kt) | Cu Grade (%) | Cu Metal Contained (kt) | Pb Grade (%) | Pb Metal Contained (kt) | Zn Metal Contained (%)                       | Cu Metal Contained (%) | Pb Metal Contained (%) |
| Hanfeng Mining's Lishan Mine | Measured  | 752           | 2.36         | 17.72                   | -            | -                       | 0.12         | 1                       | 749           | 2.36         | 17.7                    | 0.01         | 0.1                     | 0.12         | 1                       |  |                        |                        |
|                              | Indicated | 8,583         | 2.66         | 228.64                  | 0.07         | 6                       | 0.12         | 10                      | 8,334         | 2.68         | 223.1                   | 0.06         | 5                       | 0.12         | 10                      |  |                        |                        |
|                              | Inferred  | 10,616        | 2.90         | 307.61                  | 0.09         | 10                      | 0.13         | 14                      | 10,293        | 2.90         | 298.8                   | 0.09         | 9                       | 0.13         | 13                      |  |                        |                        |
| <b>Total</b>                 |           | <b>19,951</b> | <b>2.78</b>  | <b>554</b>              | <b>0.08</b>  | <b>16</b>               | <b>0.13</b>  | <b>25</b>               | <b>19,376</b> | <b>2.78</b>  | <b>540</b>              | <b>0.07</b>  | <b>14</b>               | <b>0.12</b>  | <b>24</b>               | <b>-3</b>                                    | <b>-9</b>              | <b>-4</b>              |

**Table 3-3: Comparison of Mineral Resources as at 31 December 2025 and 31 December 2024 (Molybdenum)**

| Name of mine                   | Category  | 2024          |              |                         | 2025          |              |                         | Metal Contained:<br>2025 as compared to 2024 (%) |
|--------------------------------|-----------|---------------|--------------|-------------------------|---------------|--------------|-------------------------|--|
|                                |           | Tonnage (kt)  | Mo Grade (%) | Mo Metal Contained (kt) | Tonnage (kt)  | Mo Grade (%) | Mo Metal Contained (kt) |  |
| Hanfeng Mining's Dongfeng Mine | Measured  | 1,819         | 0.11         | 2.04                    | 1,819         | 0.11         | 2.04                    |  |
|                                | Indicated | 26,495        | 0.12         | 32.15                   | 26,495        | 0.12         | 32.15                   |  |
|                                | Inferred  | 37,053        | 0.12         | 45.06                   | 37,053        | 0.12         | 45.06                   |  |
| <b>Total</b>                   |           | <b>65,367</b> | <b>0.12</b>  | <b>79.25</b>            | <b>65,367</b> | <b>0.12</b>  | <b>79.25</b>            | <b>0</b>   |

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**Table 3-4: Comparison of Mineral Resources as at 31 December 2025 and 31 December 2024 (Copper)**

| Name of mine   | Category  | 2024            |                    |                               | 2025            |                    |                               | Metal Contained:<br>2025 as compared<br>to 2024 (%) |
|--|-----------|-----------------|--------------------|-------------------------------|-----------------|--------------------|-------------------------------|---|
|  |           | Tonnage<br>(kt) | Cu<br>Grade<br>(%) | Cu Metal<br>Contained<br>(kt) | Tonnage<br>(kt) | Cu<br>Grade<br>(%) | Cu Metal<br>Contained<br>(kt) |   |
| LXML's Sepon Gold<br>and Copper Mine<br>(excluding the<br>SND Project) | Measured  | -               | -                  | -                             | 2,205           | 1.80               | 40                            |   |
|  | Indicated | 4,121           | 1.50               | 62                            | 8,201           | 1.49               | 122                           |   |
|  | Inferred  | 1,393           | 1.84               | 26                            | 7,812           | 1.05               | 82                            |   |
| <b>Total</b>   |           | <b>5,514</b>    | <b>1.59</b>        | <b>87</b>                     | <b>18,218</b>   | <b>1.34</b>        | <b>244</b>                    | <b>179</b>  |

**Table 3-5: Mineral Resources as at 31 December 2025 (Gold and Copper)**

| Name of mine       | Category  | Tonnage<br>(Mt) | Grade         |             |             | Metal Contained |             |            |
|--------------------|-----------|-----------------|---------------|-------------|-------------|-----------------|-------------|------------|
|                    |           |                 | AuEq<br>(g/t) | Au<br>(g/t) | Cu<br>(%)   | AuEq<br>(t)     | Au<br>(t)   | Cu<br>(kt) |
| LXML's SND Project | Measured  | -               | -             | -           | -           | -               | -           | -          |
|                    | Indicated | 93.7            | 0.86          | 0.57        | 0.27        | 80.4            | 53.2        | 250        |
|                    | Inferred  | 37.8            | 0.70          | 0.46        | 0.22        | 26.5            | 17.5        | 83         |
| <b>Total</b>       |           | <b>131.5</b>    | <b>0.81</b>   | <b>0.54</b> | <b>0.25</b> | <b>106.9</b>    | <b>70.7</b> | <b>332</b> |

*Note:* Resource figures of LXML's SND Project were reported for the first time in 2025, and no comparative figures for 2024 are available.

**Table 3-6: Comparison of Mineral Resources as at 31 December 2025 and 31 December 2024 (Laos Sepon Rare Earth Element Project)**

| Name of mine  | Category  | 2024            |                        |                           | 2025            |                        |                           | Metal Contained:<br>2025 as compared<br>to 2024 (%) |
|---|-----------|-----------------|------------------------|---------------------------|-----------------|------------------------|---------------------------|---|
|   |           | Tonnage<br>(Mt) | TREO<br>Grade<br>(g/t) | Contained<br>TREO<br>(kt) | Tonnage<br>(Mt) | TREO<br>Grade<br>(g/t) | Contained<br>TREO<br>(kt) |   |
| Sepon Rare<br>Earth Element<br>Project of LXML<br>in Laos | Measured  | -               | -                      | -                         | -               | -                      | -                         |   |
|   | Indicated | 26.78           | 383.75                 | 10.28                     | 26.78           | 383.75                 | 10.28                     |   |
|   | Inferred  | 63.79           | 339.22                 | 21.64                     | 63.79           | 339.22                 | 21.64                     |   |
| <b>Total</b>  |           | <b>90.57</b>    | <b>352.43</b>          | <b>31.92</b>              | <b>90.57</b>    | <b>352.43</b>          | <b>31.92</b>              | <b>0</b>  |

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**Table 3-7: Comparison of Mineral Resources as at 31 December 2025 and 31 December 2024 (Laos Mengkham Rare Earth Mine)**

| Name of mine                     | Category  | 2024            |                        |                           | 2025            |                        |                           | Metal Contained:<br>2025 as compared<br>to 2024 (%) |
|----------------------------------|-----------|-----------------|------------------------|---------------------------|-----------------|------------------------|---------------------------|---|
|                                  |           | Tonnage<br>(Mt) | SREO<br>Grade<br>(g/t) | Contained<br>SREO<br>(kt) | Tonnage<br>(Mt) | SREO<br>Grade<br>(g/t) | Contained<br>SREO<br>(kt) |   |
| Laos Mengkham<br>Rare Earth Mine | Measured  | -               | -                      | -                         | -               | -                      | -                         |   |
|                                  | Indicated | -               | -                      | -                         | -               | -                      | -                         |   |
|                                  | Inferred  | 133.79          | 241.44                 | 32.30                     | 124.69          | 238.04                 | 29.68                     |   |
| <b>Total</b>                     |           | <b>133.79</b>   | <b>241.44</b>          | <b>32.30</b>              | <b>124.69</b>   | <b>238.04</b>          | <b>29.68</b>              | <b>-8.1</b>   |

Changes in mineral resources of 2025 as compared with 2024 are set out below:

- China Projects: Wulong contained gold decreased 0.9%, Jilong contained gold increased 22%, Huatai contained gold remained unchanged, Jintai contained gold increased 29%, contained Zn decreased 3%, contained Cu decreased 9% and contained Pb decreased 4% in Hanfeng Lishan Mine, Dongfeng Mine remained unchanged;
- Sepon Gold and Copper Mine of LXML in Laos: contained gold increased 19%, contained copper increased 179%;
- SND Gold and Copper Mine of LXML in Laos: a project first disclosed in 2025;
- Ghana Wassa Gold Mine: contained gold increased 41%;
- Laos Sepon Rare Earth Element Project: total rare earth oxides (TREO) remained unchanged;
- Laos Mengkham Rare Earth Mine: soluble rare earth oxides (SREO) decreased 8.1%.

The reasons for the increase in mineral resources are as follows:

- Jintai Mining updated its resource model in 2025, redefining the mineralized domains using a cut-off grade of 0.1 g/t Au.
- The 22% increase in Jilong Mining's mineral resources by the end of 2025 compared to 2024 is attributed to the addition of 83 new drilling holes (totaling 31,599 meters of drilling and 899 samples) in mining areas #4, #5, #6, and #7 during this estimation. In 2025, Jilong Project recalculated the cut-off grade (1.57 g/t) using a gold price of USD3,300/oz.

## RESOURCES AND RESERVES

- The gold deposit at Sepon Gold and Copper Mine of LXML in Laos: five projects were updated and added in 2025, including VNS, DSW, PON, HYB and PVN; existing projects updated resource models and pit optimization results based on new input parameters including exploration data and prices.
- The copper deposit at Sepon Gold and Copper Mine of LXML in Laos: two projects were updated and added in 2025, including DSE and PVN; existing projects updated resource models and pit optimization results based on new input parameters including exploration data and prices.
- The SND Project of LXML in Laos reported its mineral resources for the first time in 2025 and is a gold-copper polymetallic mine exploration project.
- The gold price used for determining the cut-off grade of mineral resources at the Ghana Wassa Gold Mine has been increased, resulting in an overall reduction in the cut-off grade for DMH, Benso and the underground mines (WUG, FB and ADK). Meanwhile, intensive drilling conducted at depth in WUG has not only upgraded part of the inferred mineral resources to indicated mineral resources, but also upgraded part of the potential mineralization to inferred mineral resources.

The reasons for the decrease in mineral resources are as follows:

- The decrease in metal tonnage of Hanfeng Mining's Lishan Mine is primarily attributed to production depletion.

# RESOURCES AND RESERVES

## 3.2 Ore Reserve

**Table 3-8: Comparison of Ore Reserves as at 31 December 2025 and 31 December 2024 (Gold)**

| Name of mine   | Category | 2024          |                |                  |                    | 2025          |                |                  |                    | Metal Contained: 2025 as compared to 2024 (%) |
|--|----------|---------------|----------------|------------------|--------------------|---------------|----------------|------------------|--------------------|---|
|  |          | Tonnage (kt)  | Au Grade (g/t) | Contained Au (t) | Contained Au (koz) | Tonnage (kt)  | Au Grade (g/t) | Contained Au (t) | Contained Au (koz) |   |
| Wulong Gold Mine of Wulong Mining                              | Proved   | -             | -              | -                | -                  | -             | -              | -                | -                  |   |
|  | Probable | 1,187         | 7.83           | 9.29             | 299                | 994           | 9.24           | 9.18             | 286                |   |
| <b>Total</b>   |          | <b>1,187</b>  | <b>7.83</b>    | <b>9.29</b>      | <b>299</b>         | <b>994</b>    | <b>9.24</b>    | <b>9.18</b>      | <b>286</b>         | <b>-4</b>                                     |
| Zhuanshanzi Gold Mine of Jilong Mining                         | Proved   | 447           | 8.43           | 3.77             | 121                | 581           | 8.80           | 5.11             | 159                |   |
|  | Probable | 312           | 6.61           | 2.06             | 66                 | 726           | 6.73           | 4.88             | 152                |   |
| <b>Total</b>   |          | <b>760</b>    | <b>7.68</b>    | <b>5.84</b>      | <b>188</b>         | <b>1,307</b>  | <b>7.65</b>    | <b>10.00</b>     | <b>311</b>         | <b>66</b>                                     |
| Honghuagou Gold Mine of Huatai Mining                          | Proved   | 226           | 5.21           | 1.18             | 38                 | 226           | 5.21           | 1.18             | 38                 |   |
|  | Probable | 1,468         | 6.35           | 9.32             | 300                | 1,468         | 6.35           | 9.32             | 300                |   |
| <b>Total</b>   |          | <b>1,694</b>  | <b>6.20</b>    | <b>10.50</b>     | <b>338</b>         | <b>1,694</b>  | <b>6.20</b>    | <b>10.50</b>     | <b>338</b>         | <b>0</b>                                      |
| Xidengping Gold Mine of Jintai Mining                          | Proved   | 3,378         | 1.59           | 5.36             | 172                | 4,445         | 1.28           | 5.67             | 182                |   |
|  | Probable | 3,974         | 1.01           | 4.00             | 129                | 6,700         | 0.67           | 4.50             | 145                |   |
| <b>Total</b>   |          | <b>7,352</b>  | <b>1.27</b>    | <b>9.36</b>      | <b>301</b>         | <b>11,145</b> | <b>0.91</b>    | <b>10.17</b>     | <b>327</b>         | <b>9</b>                                      |
| Sepon Gold and Copper Mine of LXML (excluding the SND Project) | Proved   | 54            | 4.15           | 0.22             | 7                  | 1,465         | 1.71           | 2.51             | 81                 |   |
|  | Probable | 7,330         | 3.07           | 22.53            | 724                | 10,492        | 1.94           | 20.34            | 654                |   |
| <b>Total</b>   |          | <b>7,384</b>  | <b>3.08</b>    | <b>22.76</b>     | <b>732</b>         | <b>11,957</b> | <b>1.91</b>    | <b>22.85</b>     | <b>735</b>         | <b>0.4</b>                                    |
| Ghana Wassa Gold Mine  | Proved   | 3,140         | 2.17           | 6.81             | 219                | 9,994         | 1.41           | 14.07            | 452                |   |
|  | Probable | 4,905         | 2.10           | 10.29            | 331                | 20,615        | 1.41           | 28.99            | 932                |   |
| <b>Total</b>   |          | <b>8,045</b>  | <b>2.13</b>    | <b>17.1</b>      | <b>550</b>         | <b>30,609</b> | <b>1.41</b>    | <b>43.06</b>     | <b>1,384</b>       | <b>152</b>                                    |
| <b>Total</b>   | Proved   | 7,245         | 2.39           | 17.35            | 557                | 16,711        | 1.71           | 28.54            | 912                |   |
|  | Probable | 19,177        | 3.00           | 57.50            | 1,849              | 40,995        | 1.88           | 77.21            | 2,468              |   |
| <b>Total</b>   |          | <b>26,422</b> | <b>2.83</b>    | <b>74.85</b>     | <b>2,407</b>       | <b>57,706</b> | <b>1.83</b>    | <b>105.76</b>    | <b>3,380</b>       | <b>41</b>                                     |

## RESOURCES AND RESERVES

**Table 3-9: Comparison of Ore Reserves as at 31 December 2025 and 31 December 2024 (Zinc)**

| Name of mine        | Category     | 2024            |                 |                      | 2025            |                 |                      | Metal Contained:<br>2025 as compared<br>to 2024 (%) |
|---------------------|--------------|-----------------|-----------------|----------------------|-----------------|-----------------|----------------------|---|
|                     |              | Tonnage<br>(kt) | Zn Grade<br>(%) | Contained Zn<br>(kt) | Tonnage<br>(kt) | Zn Grade<br>(%) | Contained Zn<br>(kt) |   |
| Lishan Mine Area of | Proved       | 390             | 2.26            | 8.92                 | 400             | 2.23            | 8.92                 |   |
| Hanfeng Mining      | Probable     | 2,920           | 2.47            | 72.10                | 2,682           | 2.49            | 66.82                |   |
|                     | <b>Total</b> | <b>3,310</b>    | <b>2.45</b>     | <b>81.02</b>         | <b>3,082</b>    | <b>2.46</b>     | <b>75.74</b>         | <b>-7</b>   |

**Table 3-10: Comparison of Ore Reserves as at 31 December 2025 and 31 December 2024 (Copper)**

| Name of mine  | Category     | 2024            |                 |                      | 2025            |                 |                      | Metal Contained:<br>2025 as compared<br>to 2024 (%) |
|---|--------------|-----------------|-----------------|----------------------|-----------------|-----------------|----------------------|---|
|   |              | Tonnage<br>(kt) | Cu Grade<br>(%) | Contained Cu<br>(kt) | Tonnage<br>(kt) | Cu Grade<br>(%) | Contained Cu<br>(kt) |   |
| Sepon Gold and  | Proved       | -               | -               | -                    | 1,423           | 2.11            | 30.02                |   |
| Copper Mine of<br>LXML (excluding<br>the SND Project) | Probable     | 1,072           | 0.96            | 10.34                | 3,901           | 1.54            | 60.07                |   |
|   | <b>Total</b> | <b>1,072</b>    | <b>0.96</b>     | <b>10.34</b>         | <b>5,324</b>    | <b>1.69</b>     | <b>90.09</b>         | <b>771</b>  |

Changes in ore reserves of 2025 as compared with 2024 are set out below:

- China Projects: Wulong Mining contained gold decreased 4%, Jilong Mining contained gold increased 66%, Huatai Mining contained gold remained unchanged, Jintai Mining contained gold increased 9%, Hanfeng Mining's Lishan Mine contained Zn decreased 7%;
- Sepon Gold and Copper Mine of LXML in Laos: contained gold increased 0.4%, contained copper increased 771%;
- Ghana Wassa Gold Mine: contained gold increased 152%.

The reasons for the increase in ore reserve are as follows:

- Xidengping Gold Mine of Jintai Mining updated its resource model in 2025, and recalculated the cut-off grade based on the latest gold price;
- Jilong Mining added new drilling holes and updated its resource model in mining areas #4, #5, #6, and #7;

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- Three projects were added and updated for the copper deposit at Sepon Gold and Copper Mine of LXML in Laos in 2025, including KHN, TKM and PVN.
- At the Ghana Wassa Gold Mine, additional infill drilling has upgraded parts of the resource classification and updated the resource model. Meanwhile, rising gold prices rendered the Benso open-pit project economically mineable and included it in open-pit reserves. The ADK underground mine was added to underground reserves following the completion of its feasibility study, and recalculated the cut-off grade based on the latest gold price.

The reasons for the decrease in ore reserve are as follows:

- The decrease in metal tonnage of Wulong Mining is primarily attributed to production depletion.

## 4 KEY ASSUMPTIONS

### 4.1 Prices and exchange rates

**Table 4-1: Prices and Exchange Rates**

| <b>Project (excluding the SND Project)</b> | <b>Ore Reserves</b> | Mineral resources |
|--|---------------------|-------------------|
| Gold (US\$/ounce)                          | <b>3,000</b>        | 3,300             |
| Copper (US\$/tonne)                        | <b>8,300</b>        | 10,800            |
| Zinc (US\$/tonne)                          | <b>2,800</b>        | 2,550             |
| Molybdenum (US\$/tonne)                    | <b>N/A</b>          | 29,500            |
| Rare earth oxides (RMB/tonne)              | <b>N/A</b>          | 239,000           |
| US Dollar: Renminbi                        | <b>7.22</b>         | 7.22              |

| <b>SND Project</b>           | <b>Mineral resources</b> |
|------------------------------|--------------------------|
| Gold (US\$/ounce)            | <b>3,100</b>             |
| Copper (US\$/tonne)          | <b>11,000</b>            |
| Equivalent factor (Cu to Au) | <b>1.1 Cu: 1 Au</b>      |

*Note:* Sighter metallurgical test program has been conducted by LXML on SND ore. Metallurgical test work shows that the ore is of medium-hardness, amenable to flotation, with an overall gold recovery rate (by flotation and tailings cyanidation) of 88% and a copper recovery of up to 88.5%.

# RESOURCES AND RESERVES

## 4.2 Cut-off grade

The cut-off grades for mineral resources and ore reserves are shown in Table 4-2 and Table 4-3.

**Table 4-2: Cut-off Grade of Mineral Resources**

| Name of mine                               | Mineralization  | Applicable mining methods | Cut-off grade                                 | Notes   |
|--|-----------------|---------------------------|---|---|
| Wulong Gold Mine of Wulong Mining          | Gold            | UG                        | 2.4g/t Au                                     |   |
| Zhuanshanzi Gold Mine of Jilong Mining     | Gold            | UG                        | 1.57g/t Au                                    |   |
| Honghuagou Gold Mine of Huatai Mining      | Gold            | UG                        | 1.5g/t Au                                     |   |
| Xidengping Gold Mine of Jintai Mining      | Gold            | OP                        | 0.14g/t Au                                    |   |
| Lishan Mine of Hanfeng Mining              | Zinc            | UG                        | 0.5% Zn                                       | Lishan Lower Part   |
| Dongfeng Mine of Hanfeng Mining            | Molybdenum      | UG                        | 0.03% Mo                                      | Dongfeng Lower Part   |
| Sepon Gold and Copper Mine of LXML in Laos | Gold            | OP                        | 0.4g/t Oxide gold, 1.0g/t primary gold + OTYP | OTYP refers to different ore types defined based on oxidation degree, grade, PRI and recovery rate                  |
|  | Gold            | UG                        | 2.5g/t Au, 2.0g/t Au                          | Corresponding to DSE UG and DSW UG, respectively  |
|  | Copper          | OP                        | 0.8% Oxide copper, 0.3% primary copper + OTYP | OTYP refers to different ore types defined based on oxidation degree, grade, GAC/Sulphur and recovery rate          |
| SND Project of LXML in Laos                | Gold and copper | -                         | 0.4 g/t AuEq                                  | The SND Project reports in-situ mineral resources, with no optimization of the open-pit limit or stope optimization |
| Ghana Wassa Gold Mine                      | Gold            | OP                        | 0.29-0.30g/t Au                               | DMH Open Pit Mine   |
|  | Gold            | OP                        | 0.39g/t Au                                    | Benso Open Pit Mine   |
|  | Gold            | OP                        | 0.36g/t Au                                    | Chichiwelli Open Pit Mine   |
|  | Gold            | UG                        | 1.17g/t Au                                    | Wassa Main UG Mine  |
|  | Gold            | UG                        | 1.34g/t Au                                    | FB/ADK UG Mine  |
| Laos Sepon Rare Earth Element Project      | Rare earth      | In situ leaching          | 170 g/t TREO                                  |   |
| Laos Mengkham Rare Earth Mine              | Rare earth      | In situ leaching          | 100 g/t SREO                                  |   |

# RESOURCES AND RESERVES

**Table 4-3: Ore Reserves Cut-off Grades**

| Mine                                       | Mineralization | Applicable mining methods | Cut-off grade                                 | Notes   |
|--|----------------|---------------------------|---|---|
| Wulong Gold Mine of Wulong Mining          | Gold           | UG                        | 2.64g/t Au                                    |   |
| Zhuanshanzi Gold Mine of Jilong Mining     | Gold           | UG                        | 1.73g/t Au                                    |   |
| Honghuagou Gold Mine of Huatai Mining      | Gold           | UG                        | 2.12g/t Au                                    |   |
| Xidengping Gold Mine of Jintai Mining      | Gold           | OP                        | 0.16g/t Au                                    |   |
| Lishan Mine of Hanfeng Mining              | Zinc           | UG                        | 1.16% Zn                                      | Lishan Lower Part (Stage 1)   |
| Sepon Gold and Copper Mine of LXML in Laos | Gold           | OP                        | 0.4g/t Oxide gold, 1.0g/t primary gold + OTYP | As the life cycle of a single open-pit mine is relatively short, the cut-off grade consistent with resources is adopted |
|  | Gold           | UG                        | 2.5g/t Au                                     | As the life cycle of DSE UG is relatively short, the cut-off grade consistent with resources is adopted                 |
|  | Copper         | OP                        | 0.8% Oxide copper + OTYP                      | Sepon Gold and Copper Mine currently processes oxide copper ore only  |
| Ghana Wassa Gold Mine                      | Gold           | OP                        | 0.32-0.33g/t Au                               | DMH Open Pit Mine   |
|  | Gold           | OP                        | 0.43g/t Au                                    | Benso Open Pit Mine   |
|  | Gold           | OP                        | 0.40g/t Au                                    | Chichiwelli Open Pit Mine   |
|  | Gold           | UG                        | 1.29g/t Au                                    | Wassa Main UG Mine  |
|  | Gold           | UG                        | 1.47g/t Au                                    | ADK UG Mine   |

# RESOURCES AND RESERVES

## 4.3 Processing recovery rate

**Table 4-4: Assumption of Recovery Rate**

| Mine                                      | Product                     | Recovery Rate |        |      |
|---|-----------------------------|---------------|--------|------|
|   |                             | Gold          | Copper | Zinc |
| Wulong Gold Mine of<br>Wulong Mining      | Gold concentrate            | 91%           |        |      |
| Zhuanshanzi Gold Mine<br>of Jilong Mining | Gold ingot                  | 97%           |        |      |
| Honghuagou Gold Mine<br>of Huatai Mining  | Gold ingot                  | 93%           |        |      |
| Xidengping Gold Mine<br>of Jintai Mining  | Au-loaded carbon            | 78%           |        |      |
| Lishan Mine of<br>Hanfeng Mining          | Zinc concentrate            |               |        | 88%  |
| Sepon Gold and<br>Copper Mine of LXML     | Gold ingot (oxide ore)      | 65%           |        |      |
|   | Gold ingot (primary ore)    | 65%           |        |      |
|   | Copper cathodes (oxide ore) |               | 42%    |      |
| Ghana Wassa Gold Mine                     | Gold ingot                  | 94.8%         |        |      |

SRK Consulting China Ltd.  
20 March 2026

# MANAGEMENT DISCUSSION AND ANALYSIS

## DISCUSSION AND ANALYSIS OF OPERATIONS

In 2025, the Company delivered strong operating performance. The operating income reached RMB12.639 billion, representing a year-on-year increase of 40.03%. The net profit attributable to Shareholders of the parent amounted to RMB3.082 billion, representing a year-on-year increase of 74.70%. The net cash flow generated from operating activities stood at RMB5.556 billion, representing a year-on-year increase of 69.97%. All key performance indicators achieved robust improvement. As of the end of the Reporting Period, the Company's gearing ratio was 33.91%, a decrease of 13.34pp from the beginning of the year; interest-bearing liabilities amounted to RMB0.878 billion, a decrease of 67.45% from the beginning of the year, indicating sustained enhancement of the financial structure.

In 2025, international gold prices repeatedly hit historic highs. While delivering notable incremental revenue to the Company, it also imposed higher requirements on the Company's profitability resilience and cost control capabilities amid widespread cost escalation across the industry. Rising global resource nationalism, local hiring practices and cultural differences have further increased the complexity and overall costs of overseas operations. ESG standards have shifted from a "bonus factor" to an essential prerequisite for market access. Also, digital and intelligent transformation has accelerated from a long-term vision to a core arena that determines enterprises' cost competitiveness and intrinsic safety levels. Confronted with the intricate external environment, the Company stayed focused on strengthening its internal strengths and pursuing prudent operations in 2025. Guided by its established development strategy, the Company successfully achieved the phased objectives of one breakthrough, two drivers and three cornerstones.

### 1. A new breakthrough in globalization layout and capital market

The Company has achieved a significant milestone in advancing its international capital market operations. On 10 March 2025, the Company successfully listed on the Main Board of the Hong Kong Stock Exchange. Approximately 90% of the H Shares were offered under the Global Offering, which received strong demand from prominent institutional investors in Asia, Europe, Australia and other regions, and raised a net amount of approximately HK\$3.1 billion (including the over-allotment option). The Hong Kong listing fully demonstrates the strong recognition of the global capital market in the Company's strategy of "gold as the main focus and global layout", and represents one of the most important strategic achievements of the Company in recent years.

The IPO of H Shares on the Hong Kong Stock Exchange has enabled the Company to further diversify its international funding channels and improve its equity structure, signifying an all-round upgrade in its corporate governance, market credibility and international influence, and opening up a new strategic landscape for the Company to efficiently integrate capital and resources globally. Going forward, the Company will continue to leverage the capital market as a booster to accelerate the implementation of domestic and overseas mine capacity expansion, technological upgrading, and mineral exploration and resource reserve enhancement projects.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Dual drivers of domestic and overseas mines for synergistic and steady growth

Domestic mines unlocked internal potential through refined operation and control. With continuous efforts in mineral exploration, reserve enhancement and technical upgrades of mineral processing, they have ensured stable production output and maintained AISC within a competitive industry range, effectively serving as the Company's profit cornerstone and cash flow pillar.

Overseas mines have achieved significant progress in integrated operations. The Company has enhanced post-acquisition management empowerment and deep local integration: Laos Sepon Project have maintained safe, stable and efficient operation; Ghana Wassa Project have seen rapid improvements in production organization and on-site management following the optimization and adjustment of the management team, laying a solid foundation for future production ramp-up and operational efficiency improvement.

## 3. Fortify the “three cornerstones” to strengthen the foundation for long-term development

Safety and environmental protection, sustainable resource development and management enhancement are the fundamental safeguards and cornerstones of the Company's development. Committed to “Life Above All, Environment First”, the Company emphasized standardization of safety production, energy conservation and consumption reduction, as well as clean energy substitution. The Company has rigorously implemented the safety production responsibility system and complied with environmental protection requirements. Through systematic capacity building, it has continuously enhanced its ability to predict risks and conduct refined management. Significant progress has been made in the ESG performance. The Company's MSCI ESG rating was upgraded from CCC to B, while our S&P CSA score reached 40 points – both representing the highest levels in the Company's history.

In line with its “focusing on gold” development strategy, the Company simultaneously advanced in three key areas – resources, reserves, and production capacity – to continuously establish scale advantages and core competitiveness in its core gold business. Faced with tight production schedules, all mines upheld the principle of “mining and excavation proceeding concurrently, with excavation taking precedence”, striving to balance production and engineering construction. Yet the tight interface between mining and excavation at some mines has not been fundamentally addressed. During the Reporting Period, the Company has increased investment in the exploration and development of both domestic and overseas mines, clearly identifying priority exploration zones and reserve enhancement targets, thus promoting the simultaneous growth of resource volume and reserves. At the same time, the Company realized significant breakthroughs in resource exploration and reserve growth. The Sepon team in Laos delivered the discovery of a large porphyry gold and copper ore body in the initial phase of the SND Project with low cost and industry-leading efficiency. This has substantially boosted the resource base of core assets and extended mine life, laying a solid foundation for the Company's long-term value growth and serving as a successful benchmark for its global exploration strategy.

# MANAGEMENT DISCUSSION AND ANALYSIS

As of the date of this report, the Company has completed the election of its new management team and organizational restructuring, marking a new phase of systematic upgrading and efficient control. By optimizing its talent pipeline and recruiting expert management personnel with global perspectives and practical frontline experience, the Company's organizational vitality and professional competence have improved notably. The newly established Domestic Business Division and the Overseas Group of the Production Technology Department further reinforced the unified coordination of domestic and overseas mining production and operations.

#### 4. Key projects progressed in an orderly manner

As of the date of this report, the Company's key new construction and technological transformation projects at its domestic and overseas mines progressed smoothly as planned:

**Wulong Mining:** The new tailings storage facility project commenced in October 2025, and is expected to be completed by the fourth quarter of 2026. Projects including the technological transformation and extension of the three-part mine blind shaft, and the technological transformation of the auxiliary open shaft were launched in 2025 and are expected to be completed progressively in 2026. The transition from exploration to mining at the Haojingou-Ligunzi mine and the integration of mining rights at the Lijinguzi mine are progressing smoothly.

**Jilong Mining:** The new 60,000-tonnes-per-annum underground mining project obtained a mining license in July 2025, and the preliminary design and the safety facility design for the underground mining expansion project are currently underway. The renovation of the smelting facility is progressing in an orderly manner.

**Huatai Mining:** The additional 30,000-tonnes-per-annum underground mining expansion project is progressing steadily.

**Jintai Mining:** The second phase of the construction project has completed the transition from exploration to mining, the engineering surveys of all construction sites and project approval. The relevant land acquisition procedures, and supporting projects, including the heap leach yard and waste dump, are progressing as scheduled.

**Hanfeng Mining:** The expansion and renovation of the beneficiation plant, the expansion of the Lishan tailings storage facility and the integration of mining regions are being implemented as planned.

**LXML:** Stripping at Khanong copper mine commenced in mid-2025, and mining of oxide ore has started. Primary ore mining is scheduled to commence in the second quarter of 2027, with a designed capacity of 1.3 million tonnes per annum. Mining at Thenkham South copper ore area has resumed, with oxide copper production expected to increase. Optimization of underground mine filling has achieved a near-zero loss rate. Optimization of the pressure oxidation process and application of shielding agents have significantly improved primary ore recovery rate. The new 1.2-million-tonnes-per-annum grinding mill has been successfully put into operation, further enhancing ore processing capacity.

# MANAGEMENT DISCUSSION AND ANALYSIS

GSWL: The upgrade and renovation of the concentrator crushing system will be open to public tender upon completion of the third-party feasibility study, with a planned construction period of 13 months. Works such as dewatering, adit platform backfilling and ramp development in the Father Brown mining area are advancing simultaneously.

## 5. Internal control and risk management

Following its listing on both the A-share and H-share markets, the Company has strictly complied with higher standards of compliance and internal control requirements, continuously enhanced its audit system and institutional frameworks, promoted transparent process management, and steadily elevated internal control standards. During the Reporting Period, the Company reinforced comprehensive planning across procurement, logistics, sales, and other key areas, facilitated efficient integration between global and regional supply chains, promoting the efficient integration between the global and regional supply chains. Leveraging information-based and refined management practices, the Company has enhanced operational efficiency and transparency, delivering cumulative cost savings of more than RMB20 million.

The Company has further regulated the conduct of its global business segments to ensure authentic and accurate data, legally compliant processes, and transparent decision-making. A standardized mechanism for contractor access control, performance evaluation, and auditing procedures, is planned for establishment to ensure that all partners strictly adhere to the Company's requirements regarding safety, environmental protection, and regulatory compliance. Additionally, the Company has sustained efforts to strengthen its information security management. Through robust systems, targeted training programs, and advanced technical measures, it ensures the security of data and information systems, thereby providing solid support for the Company's prudent operation and risk mitigation.

## INDUSTRY IN WHICH THE COMPANY OPERATED DURING THE REPORTING PERIOD

Driven by hedging demand and diversified asset allocation, investor sentiment in the global gold market improved significantly in 2025. As at the end of December 2025, the London Gold Fixing had increased by 62.90% compared to the beginning of the year, while the closing price of Au9999 gold on the Shanghai Gold Exchange had risen by 58.78% compared to the beginning of the year. According to the World Gold Council, the total global gold demand (including over-the-counter trading) exceeded 5,000 tonnes for the first time in 2025. The gold price set new historical highs 53 times during the year. The total value of global gold demand reached US\$555 billion, up 45% year-on-year.

A significant uptick in market investment boosted overall gold demand: global gold ETF holdings increased by 801 tonnes, marking the largest net inflow in history, while both assets under management and total holdings reached all-time highs. Despite pressure on gold jewelry demand from elevated gold prices, demand for gold bars and coins maintained an upward trend, with sales rising to a 12-year high.

# MANAGEMENT DISCUSSION AND ANALYSIS

Currently, global gold supply chain is encountering structural constraints, including inadequate investment in new mine development and weak supply elasticity. Meanwhile, many existing mines face challenges such as declining ore grades, outdated equipment, rising operational costs, and compliance pressures related to safety and environmental regulations. According to the “MINERAL COMMODITY SUMMARIES 2026” published by the United States Geological Survey (USGS) in February 2026, Australia and Russia possess the largest gold reserves globally, followed by South Africa, Indonesia, Canada and China. Global gold mine production in 2025 reached approximately 3,300 metric tonnes, representing an increase of only 0.61%. China, Russia, Australia, Canada, and the United States are the top five producers, together accounting for approximately 41% of the global output.

Data from the China Gold Association showed that in 2025, domestic raw material gold production totaled 381.339 tonnes, reflecting a year-on-year increase of 1.09%. Meanwhile, gold production derived from imported raw materials reached 170.681 tonnes, showing a year-on-year increase of 8.81%. Combined gold production from domestic and imported raw materials stood at 552.020 tonnes, representing a year-on-year increase of 3.35%. During the same period, consumption of gold bars and coins in China exceeded that of gold jewelry for the first time, marking a phased shift in the structure of domestic gold consumption.

A new pricing paradigm driven by softer U.S. dollar credibility, geopolitical risk premiums, and strong demand from central banks and private investors is redefining gold's role in the global monetary system. Demand for strategic gold allocation by global central banks is mainly led by emerging markets. Since 2010, gold reserves in emerging and developing economies have remained well below those in advanced economies, leaving ample room for further increases in central banks' gold reserves.

## ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The Company adheres to the development strategy of “focusing on gold”, steadily promoting its international layout. The steady development of the Company is attributed to the following core competitive advantages:

### (I) Professional management team and effective incentive mechanism

The Company's management team comprises senior experts with extensive experience in mining, capital markets and enterprise management. The Chairman, Mr. Wang Jianhua, and other senior management personnel have accumulated substantial management experience and achieved notable accomplishments within globally recognized mining enterprises. Furthermore, the Board includes experts from prestigious universities and research institutions, thereby enhancing the professionalism of corporate decision-making. A group of expert managers with both global vision and frontline practical experience have been successfully introduced, significantly strengthening organizational vitality and professional expertise.

The Company upholds the corporate culture of “coexistence and mutual growth”, and promotes the trinity of owners, managers and employees. It has established a long-term internal incentive mechanism to effectively align the interests of core personnel with the Company's development goals, thereby enhancing the motivation of the management team and key employees. As a result, a strong alignment in mission, vision and action has been formed. In addition, the Company will continue to actively explore long-term equity incentive programs tailored to domestic and overseas employees, aiming to further strengthen its international management capabilities and operational efficiency.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (II) High-quality resource reserves and the potential for sustained capacity expansion

The Company has developed sustainable development strategies encompassing resource exploration, as well as enhancements in capacity and production output for each mine. The medium-to-long-term plans are both highly feasible and well-defined.

The Company's domestic gold mines are located among the rare high-grade deposits in the PRC. The ore exhibits relatively high grades, and the mineralization conditions are favorable, demonstrating significant potential for further exploration and resource expansion. Furthermore, the Company's effective cost control measures have resulted in unit costs and gross profit margins that outperform the industry average of domestic gold mining peers. Ongoing deep exploration efforts, coupled with technological upgrades and process optimization, have substantially increased mining production and mineral processing capacity. These initiatives have positioned the Company on a steady path toward achieving its strategic objective of "discovering and developing large-scale mining operations".

The Sepon Gold and Copper Mine, operated by the Company, is the largest non-ferrous metal mine in Laos. The Company holds exclusive exploration and mining rights for mineral resources across a total area exceeding 1,000 km<sup>2</sup>, including the Sepon mining area, offering substantial potential for future development. The initial resource estimation of the Sepon Gold and Copper Mine SND Project has further reinforced the strategic importance of the Sepon Gold and Copper Mine within the Company's long-term development framework.

The Wassa Gold Mine, operated by the Company, is situated on the eastern margin of the southern segment of the globally renowned Ashanti Gold Belt, which extends for approximately 70 km. It represents the largest gold mining entity in Ghana in terms of the area covered by mining rights, and the mine site, along with its surrounding regions, holds significant exploration potential. Through continuous improvements in mining capacity and the optimization of mineral processing equipment and systems, the volume of ore processed and gold output have shown steady growth, providing sound conditions for sustainable production expansion and laying a solid foundation for the future growth in production capacity and resource reserves.

The Company has accumulated extensive experience in overseas merger and acquisition as well as resource integration. It has established an efficient system for target identification, transaction execution and business integration, ensuring the rapid implementation and tangible outcomes of exploration, capacity expansion and production growth initiatives. By combining internal exploration with external merger and acquisition, the Company is driving rapid growth in resource and reserves and production capacity, and accelerating the development of a globally competitive gold mining enterprise.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (III) Diversified financing capabilities and robust financial structure

In 2025, the Company issued H Shares through its IPO on the Hong Kong Stock Exchange, thereby establishing an international platform for market financing and diversifying its financing channels. The Hong Kong listing has effectively attracted overseas investors, enhancing the internationalization of the shareholder structure and laying a solid foundation for the global expansion of the Company's brand and overseas operations.

The dual listing of A Shares and H Shares provides a wide variety of financing channels to the Company, offering more flexible and efficient financing options during the period of rapid business expansion. This strategy will provide critical financial momentum for the Company's continued global resource mergers and acquisitions, core mine exploration and development, as well as intelligent technological transformation and expansion. Going forward, the Company will closely align with the pace of business growth, flexibly leverage various forms of equity financing to reduce reliance on debt, and simultaneously employ structured financial instruments such as asset securitization and project-specific financing for mining initiatives. These efforts aim to unlock the value of existing assets and achieve optimal capital allocation efficiency.

With ample operating cash flow and through the dynamic refinancing of existing debt in line with prevailing market interest rate cycles, the Company has steadily reduced its interest-bearing liabilities. Meanwhile, non-productive expenditures have been strictly controlled. By implementing refined fund management and control measures, capital utilization efficiency has been enhanced, and the liability structure has been continuously optimized.

Currently, the Company has established a high-quality financial structure characterized by "low interest-bearing debt combined with strong cash flow". The scale of interest-bearing debt remains among the lowest compared to global peers, interest expenses have declined significantly, and cash flow remains robust. This financial structure not only ensures stable financial support for strategic initiatives such as global high-quality mine mergers and acquisitions and the enhancement of resource operational capabilities, but also substantially strengthens financial resilience against cyclical fluctuations and geopolitical risks, thereby laying a solid foundation for sustainable and high-quality development in the medium to long term.

## (IV) High-efficiency operations and coordinated resource allocation

Under the guidance of the management team, each mine within the Company focuses on enhancing operational efficiency by leveraging its specific circumstances. The Company consistently advances technological innovation and management optimization through accelerated research and application of new technologies, the implementation of global centralized procurement, and the refinement of organizational structures. As a result, resource allocation efficiency and operational coordination capabilities have been significantly improved, further strengthening the Company's competitive position within the industry.

In recent years, domestic mines have enhanced operational efficiency and resource utilization through progressive investment and systematic modernization, serving as the stabilizer of corporate profitability and the cornerstone of cash flow. Overseas mines are operating in a stable manner and employ internationally advanced mining and production technologies and concepts, serving as the primary driver for the Company's production growth. The Company has progressively unlocked its production potential and delivered steady improvements in overall operational efficiency by implementing measures such as capacity expansion and optimization at its existing projects.

# MANAGEMENT DISCUSSION AND ANALYSIS

## MAJOR OPERATING CONDITIONS DURING THE REPORTING PERIOD

In 2025, the Group recorded operating income from the principal business of RMB12.623 billion, among which, the mining segment produced 14.51 tonnes of mined gold, representing a decrease of 4.27% as compared to last year, and 6.8 thousand tonnes of copper cathodes, representing an increase of 9.07% as compared to last year. This segment recorded operating income from its principal business of RMB12.412 billion, accounting for 98.33% of the Group's operating income from its principal business. As at the end of the Reporting Period, the Group's total assets were RMB24.981 billion, and the net assets attributable to Shareholders of the parent were RMB13.415 billion, representing an increase of 22.89% and 69.45% respectively, as compared to the end of last year.

### (I) Analysis on Principal Business

#### 1. Analysis of the changes in relevant items in the statement of profit or loss and cash flow

Unit: Yuan Currency: RMB

| Items   | Amount for the<br>current period | Amount for the<br>same period<br>last year | Percentage<br>of change<br>(%) |
|---|----------------------------------|--|--------------------------------|
| Operating income                                      | <b>12,638,506,229.12</b>         | 9,025,821,822.22                           | 40.03                          |
| Operating costs                                       | <b>6,008,408,689.62</b>          | 5,068,770,478.41                           | 18.54                          |
| Selling expenses                                      | <b>252,666.85</b>                | 348,745.14                                 | (27.55)                        |
| Administrative expenses                               | <b>584,210,837.63</b>            | 492,286,721.36                             | 18.67                          |
| Finance expenses                                      | <b>48,227,376.68</b>             | 155,363,874.45                             | (68.96)                        |
| Research and development<br>expenses                  | <b>117,241,958.61</b>            | 63,615,898.70                              | 84.30                          |
| Net cash flows from<br>operating activities           | <b>5,555,589,287.50</b>          | 3,268,480,659.70                           | 69.97                          |
| Net cash outflows used in<br>investing activities     | <b>(2,310,401,317.06)</b>        | (958,411,154.21)                           | N/A                            |
| Net cash flows from/(used in)<br>financing activities | <b>972,342,660.23</b>            | (1,097,464,248.48)                         | N/A                            |

## MANAGEMENT DISCUSSION AND ANALYSIS

- (1) Operating costs increased compared to the same period last year mainly due to the increase in the operating costs of mined gold and copper cathode;
- (2) Administrative expenses increased compared to the same period last year mainly due to an increase in the Group's labour expenses and professional consulting expenses;
- (3) Net finance expenses decreased compared to the same period last year primarily due to the decrease in finance expenses resulting from the improvement in the Group's operating cash flow and thus extra cash was used to prepay bank loans. Meanwhile, the increase in interest income was due to the increase in the Group's own funds;
- (4) Research and development expenses increased compared to the same period last year mainly due to the increasing investment in research and development by Jilong Mining, Wulong Mining and LXML;
- (5) The increase in net cash flows from operating activities was mainly due to the rise in selling price of mined gold, which led to an increase in proceeds from sales during the current period;
- (6) The increase in the net cash outflows used in investing activities was mainly due to the combined impact from the recoup of about RMB453 million investment from the disposal of equity investment during the same period last year, coupled with an increase in capital expenditures during this period;
- (7) The increase in net cash inflows from financing activities was mainly due to the combined impact from the proceeds from the listing on the Hong Kong Stock Exchange, coupled with a significant decrease in net debt during the current period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Operating Income and Operating Costs Analysis

### (1) Principal business by sector, product and region

Unit: Yuan Currency: RMB

| Analysis of the principal business by sector     |                   |                  |                         |   |  |  |
|--|-------------------|------------------|-------------------------|---|--|--|
| By sector  | Operating income  | Operating costs  | Gross profit margin (%) | Change in operating income as compared to last year (%) | Change in operating costs as compared to last year (%) | Change in gross profit margin as compared to last year |
| Mining sector                                    | 12,412,262,165.63 | 5,758,931,126.00 | 53.60                   | 42.38   | 20.07  | Increased by 8.62pp                                    |
| Comprehensive resource recycling and utilization | 210,642,147.67    | 237,826,778.05   | (12.91)                 | (18.45)   | 2.66   | Decreased by 23.22pp                                   |

| Analysis of the principal business by product |                   |                  |                         |   |  |  |
|---|-------------------|------------------|-------------------------|---|--|--|
| By product                                    | Operating income  | Operating costs  | Gross profit margin (%) | Change in operating income as compared to the same period last year (%) | Change in operating costs as compared to the same period last year (%) | Change in gross profit margin as compared to the same period last year |
| Mined gold                                    | 11,338,917,613.16 | 4,704,089,809.87 | 58.51                   | 42.12   | 11.16  | Increased by 11.55pp   |
| Copper cathode                                | 505,541,750.16    | 661,763,891.47   | (30.90)                 | 24.11   | 81.57  | Decreased by 41.43pp   |
| Copper concentrate powder                     | 72,190,806.51     | 13,763,489.04    | 80.93                   | 254.58  | 79.57  | Increased by 18.58pp   |
| Lead concentrate powder                       | 52,953,777.74     | 18,061,836.33    | 65.89                   | (7.78)  | (14.05)  | Increased by 2.49pp  |
| Zinc concentrate powder                       | 202,003,778.55    | 126,136,973.00   | 37.56                   | 65.31   | 58.46  | Increased by 2.70pp  |
| Molybdenum concentrate powder                 | 96,834,324.18     | 65,661,714.93    | 32.19                   | (21.46)   | (25.04)  | Increased by 3.24pp  |
| Rare earth products                           | 143,820,115.33    | 169,453,411.36   | (17.82)                 | N/A   | N/A  | N/A  |
| Others (Disassembly of electronic products)   | 210,642,147.67    | 237,826,778.05   | (12.91)                 | (18.45)   | 2.66   | Decreased by 23.22pp   |

# MANAGEMENT DISCUSSION AND ANALYSIS

## Analysis of the principal business by region

| By region        | Operating income | Operating costs  | Gross profit margin (%) | Change in operating income as compared to the same period last year (%) | Change in operating costs as compared to the same period last year (%) | Change in gross profit margin as compared to the same period last year |
|------------------|------------------|------------------|-------------------------|---|--|--|
| Domestic regions | 3,635,025,196.44 | 1,129,538,700.70 | 68.93                   | 32.77   | 7.90   | Increased by 7.17pp  |
| Overseas regions | 8,987,879,116.86 | 4,867,219,203.35 | 45.85                   | 44.08   | 22.26  | Increased by 9.67pp  |

Approximately 71.20% of the Group's operating income from its principle activities is derived from overseas mining operations.

## (2) Analysis of Production and Sales Volume

| Major products                | Unit  | Production volume | Sales volume | Unit selling price      | Change in production volume as compared to last year (%) | Change in sales volume as compared to last year (%) | Change in Unit selling price as compared to last year (%) |
|-------------------------------|-------|-------------------|--------------|-------------------------|--|---|---|
| Mined gold                    | kg    | 14,510.58         | 14,448.52    | 784.78<br>RMB/gram      | (4.27)   | (5.06)  | 49.69   |
| Copper cathode                | tonne | 6,754.57          | 6,869.77     | 73,589.31<br>RMB/tonne  | 9.07   | 9.51  | 13.33   |
| Copper concentrate powder     | tonne | 3,160.15          | 3,122.15     | 23,122.18<br>RMB/tonne  | 128.89   | 123.58  | 58.59   |
| Lead concentrate powder       | tonne | 3,680.12          | 3,764.54     | 14,066.47<br>RMB/tonne  | (9.16)   | (8.39)  | 0.67  |
| Zinc concentrate powder       | tonne | 29,518.37         | 29,473.65    | 6,853.71<br>RMB/tonne   | 98.18  | 92.33   | (14.05)   |
| Molybdenum concentrate powder | tonne | 675.53            | 669.25       | 144,691.89<br>RMB/tonne | (1.64)   | (24.32)   | 3.79  |
| Rare earth products           | tonne | 998.56            | 853.01       | 168,602.98<br>RMB/tonne | N/A  | N/A   | N/A   |

# MANAGEMENT DISCUSSION AND ANALYSIS

## (3) Analysis of Unit Operating Costs and Gross Profit Margin

| Major product                                   | Unit      | Unit operating costs |           |                          | Gross profit margin (%) |       |
|---|-----------|----------------------|-----------|--------------------------|-------------------------|-------|
|   |           | 2025                 | 2024      | Percentage of change (%) | 2025                    | 2024  |
| Mined gold                                      | RMB/gram  | <b>326.26</b>        | 278.08    | 17.33                    | <b>58.51</b>            | 46.96 |
| Copper cathode                                  | RMB/tonne | <b>96,329.82</b>     | 58,097.41 | 65.81                    | <b>(30.90)</b>          | 10.53 |
| Copper concentrate powder                       | RMB/tonne | <b>4,408.34</b>      | 5,488.68  | (19.68)                  | <b>80.93</b>            | 62.35 |
| Lead concentrate powder                         | RMB/tonne | <b>4,797.89</b>      | 5,113.72  | (6.18)                   | <b>65.89</b>            | 63.40 |
| Zinc concentrate powder                         | RMB/tonne | <b>4,279.65</b>      | 5,194.25  | (17.61)                  | <b>37.56</b>            | 34.86 |
| Molybdenum concentrate powder                   | RMB/tonne | <b>98,113.12</b>     | 99,050.28 | (0.95)                   | <b>32.19</b>            | 28.95 |
| Rare earth products                             | RMB/tonne | <b>198,653.37</b>    | N/A       | N/A                      | <b>(17.82)</b>          | N/A   |
| Overall gross profit margin <sup>(Note 1)</sup> |           |                      |           |                          | <b>52.46</b>            | 43.84 |

*Note 1:* The overall gross profit margin refers to the Group's overall gross profit margin, including mining, comprehensive resource utilization and recycling, and others.

*Note 2:* In 2025, the development ore generated during the technical transformation of Huatai Mining was not included in the calculation of the unit operating costs of the mined gold.

## (4) Analysis of the Unit Cost of Mined Gold

| Items                 | Unit cost for the current period |                        | Unit cost for the previous period |                        | Percentage of change                                   |  |
|-----------------------|----------------------------------|------------------------|-----------------------------------|------------------------|--|--|
|                       | Operating costs                  | All-in sustaining cost | Operating costs                   | All-in sustaining cost | Change in operating costs as compared to last year (%) | All-in sustaining cost change as compared to last year (%) |
| Mined gold (RMB/gram) | <b>326.26</b>                    | <b>372.63</b>          | 278.08                            | 281.19                 | <b>17.33</b>   | <b>32.52</b>   |

*Note 1:* Operating costs refers to the operating costs stated in the statement of profit or loss. All-in sustaining cost comprises direct cash costs included in operating costs, selling expenses and administrative expenses plus taxes and surcharges as well as sustaining capital expenditure.

*Note 2:* The exchange rate of USD to RMB used in the current period and the previous period is 1: 7.1429 and 1: 7.1217, respectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

|                           | Unit cost for the current period |                        | Unit cost for the previous period |                        | Percentage of change                                   |  |
|---------------------------|----------------------------------|------------------------|-----------------------------------|------------------------|--|--|
|                           | Operating costs                  | All-in sustaining cost | Operating costs                   | All-in sustaining cost | Change in operating costs as compared to last year (%) | All-in sustaining cost change as compared to last year (%) |
| Domestic mines (RMB/gram) | 180.48                           | 277.83                 | 157.09                            | 224.54                 | 14.89  | 23.73  |
| LXML (USD/oz)             | 1,472.32                         | 1,596.22               | 1,497.05                          | 1,323.75               | (1.65)   | 20.58  |
| GSWL (USD/oz)             | 1,860.17                         | 1,972.98               | 1,303.89                          | 1,304.46               | 42.66  | 51.25  |

*Note 1:* In 2025, the development ore generated during the technical transformation of Huatai Mining was not included in the calculation of the unit cost of the domestic mines.

*Note 2:* The unit cost for GSWL has increased significantly compared to the same period last year, primarily due to the following reasons:

First, the rise in gold prices in 2025 led to an increase in operating income. Additionally, the growth and sustainability levy tax rate increased from 1% to 3% since April 2025. The combined effect of the tax calculation base and higher tax rate resulted in an increase in resources tax and growth and sustainability levy.

Second, there were new mining operational units in GSWL in 2025, leading to higher operating costs, including drilling, tunneling, mining and other related activities.

Third, a decline in the grade of ore processed, coupled with the early arrival of the rainy season, led to a decrease in gold produced and sold.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (5) Analysis of Cost Components

Unit: Yuan Currency: RMB

|                                    |                     | By sector                     |   |                      |  |  |
|------------------------------------|---------------------|-------------------------------|---|----------------------|--|--|
| By sector                          | Cost components     | Amount for the current period | Percentage of total cost for current period (%) | Amount for last year | Percentage of total cost for last year (%) | Change in amount for the current period as compared with last year (%) |
| Mining sector                      | Labour expense      | 838,165,510.83                | 14.55   | 841,481,125.15       | 17.54                                      | (0.39)   |
|                                    | Materials expense   | 1,977,306,012.19              | 34.34   | 1,828,408,052.34     | 38.13                                      | 8.14   |
|                                    | Electricity fees    | 429,606,282.03                | 7.46  | 355,147,614.06       | 7.40                                       | 20.97  |
|                                    | Depreciation charge | 1,213,401,546.59              | 21.07   | 1,247,246,236.00     | 26.00                                      | (2.71)   |
|                                    | Services and Others | 1,300,451,774.36              | 22.58   | 524,019,374.22       | 10.93                                      | 148.17   |
|                                    | Subtotal            | 5,758,931,126.00              | 100.00  | 4,796,302,401.77     | 100.00                                     | 20.07  |
| Resource recycling and utilization | Labour expense      | 6,998,869.93                  | 2.94  | 7,125,473.31         | 3.08                                       | (1.78)   |
|                                    | Materials expense   | 224,554,275.06                | 94.42   | 217,525,032.46       | 93.89                                      | 3.23   |
|                                    | Electricity fees    | 1,382,814.10                  | 0.58  | 824,820.15           | 0.36                                       | 67.65  |
|                                    | Depreciation charge | 3,462,841.32                  | 1.46  | 3,220,484.76         | 1.39                                       | 7.53   |
|                                    | Services and Others | 1,427,977.64                  | 0.60  | 2,963,437.43         | 1.28                                       | (51.81)  |
|                                    | Subtotal            | 237,826,778.05                | 100.00  | 231,659,248.11       | 100.00                                     | 2.66   |

# MANAGEMENT DISCUSSION AND ANALYSIS

|                           |                     | By product                    |   |                      |  |  |
|---------------------------|---------------------|-------------------------------|---|----------------------|--|--|
| By product                | Cost components     | Amount for the current period | Percentage of total cost for current period (%) | Amount for last year | Percentage of total cost for last year (%) | Change in  |
|                           |                     |                               |   |                      |  | amount for the current period as compared with last year (%) |
| Mined gold                | Labour expense      | 695,033,637.66                | 14.78   | 712,583,460.55       | 16.84                                      | (2.46)   |
|                           | Materials expense   | 1,686,852,598.87              | 35.86   | 1,627,144,657.07     | 38.44                                      | 3.67   |
|                           | Electricity fees    | 360,980,631.30                | 7.67  | 292,750,592.58       | 6.92                                       | 23.31  |
|                           | Depreciation charge | 974,293,197.36                | 20.71   | 1,144,199,926.19     | 27.04                                      | (14.85)  |
|                           | Services and Others | 986,929,744.68                | 20.98   | 455,150,948.33       | 10.76                                      | 116.84   |
|                           | Subtotal            | 4,704,089,809.87              | 100.00  | 4,231,829,584.72     | 100.00                                     | 11.16  |
| Copper cathode            | Labour expense      | 54,468,688.98                 | 8.23  | 33,278,523.78        | 9.13                                       | 63.68  |
|                           | Materials expense   | 194,680,271.59                | 29.42   | 162,533,099.09       | 44.59                                      | 19.78  |
|                           | Electricity fees    | 26,422,882.52                 | 3.99  | 26,158,019.22        | 7.18                                       | 1.01   |
|                           | Depreciation charge | 187,217,020.07                | 28.29   | 84,040,639.26        | 23.06                                      | 122.77   |
|                           | Services and Others | 198,975,028.31                | 30.07   | 58,452,176.87        | 16.04                                      | 240.41   |
|                           | Subtotal            | 661,763,891.47                | 100.00  | 364,462,458.22       | 100.00                                     | 81.57  |
| Copper concentrate powder | Labour expense      | 1,955,510.39                  | 14.21   | 3,380,063.37         | 44.10                                      | (42.15)  |
|                           | Materials expense   | 1,705,474.72                  | 12.39   | 1,423,184.48         | 18.57                                      | 19.84  |
|                           | Electricity fees    | 1,909,928.96                  | 13.88   | 1,486,346.77         | 19.39                                      | 28.50  |
|                           | Depreciation charge | 1,987,550.06                  | 14.44   | 842,448.21           | 10.99                                      | 135.93   |
|                           | Services and Others | 6,205,024.91                  | 45.08   | 532,685.67           | 6.95                                       | 1064.86  |
|                           | Subtotal            | 13,763,489.04                 | 100.00  | 7,664,728.50         | 100.00                                     | 79.57  |
| Lead concentrate powder   | Labour expense      | 2,991,604.14                  | 16.56   | 9,267,248.32         | 44.10                                      | (67.72)  |
|                           | Materials expense   | 2,694,842.94                  | 14.92   | 3,901,999.02         | 18.57                                      | (30.94)  |
|                           | Electricity fees    | 2,818,960.48                  | 15.61   | 4,075,173.48         | 19.39                                      | (30.83)  |
|                           | Depreciation charge | 2,576,105.17                  | 14.26   | 2,309,772.31         | 10.99                                      | 11.53  |
|                           | Services and Others | 6,980,323.60                  | 38.65   | 1,460,484.58         | 6.95                                       | 377.95   |
|                           | Subtotal            | 18,061,836.33                 | 100.00  | 21,014,677.71        | 100.00                                     | (14.05)  |
| Zinc concentrate powder   | Labour expense      | 20,317,716.52                 | 16.10   | 35,103,062.28        | 44.10                                      | (42.12)  |
|                           | Materials expense   | 16,647,117.93                 | 13.20   | 14,780,235.70        | 18.57                                      | 12.63  |
|                           | Electricity fees    | 18,624,653.11                 | 14.77   | 15,436,196.76        | 19.39                                      | 20.66  |
|                           | Depreciation charge | 17,786,076.56                 | 14.10   | 8,749,099.91         | 10.99                                      | 103.29   |
|                           | Services and Others | 52,761,408.88                 | 41.83   | 5,532,114.75         | 6.95                                       | 853.73   |
|                           | Subtotal            | 126,136,973.00                | 100.00  | 79,600,709.40        | 100.00                                     | 58.46  |

# MANAGEMENT DISCUSSION AND ANALYSIS

| By product                    | Cost components     | By product                    |   |                      |  | Change in amount for the current period as compared with last year (%) |
|-------------------------------|---------------------|-------------------------------|---|----------------------|--|--|
|                               |                     | Amount for the current period | Percentage of total cost for current period (%) | Amount for last year | Percentage of total cost for last year (%) |  |
| Molybdenum concentrate powder | Labour expense      | 6,716,450.03                  | 10.23   | 45,930,915.19        | 52.44                                      | (85.38)  |
|                               | Materials expense   | 8,811,405.81                  | 13.42   | 17,880,772.09        | 20.41                                      | (50.72)  |
|                               | Electricity fees    | 9,384,699.67                  | 14.29   | 14,850,759.01        | 16.95                                      | (36.81)  |
|                               | Depreciation charge | 3,863,686.91                  | 5.88  | 6,276,757.46         | 7.17                                       | (38.44)  |
|                               | Services and Others | 36,885,472.51                 | 56.18   | 2,657,891.61         | 3.03                                       | 1,287.77   |
|                               | Subtotal            | 65,661,714.93                 | 100.00  | 87,597,095.36        | 100.00                                     | (25.04)  |
| Rare earth products           | Labour expense      | 56,681,903.11                 | 33.45   | -                    | N/A  | N/A  |
|                               | Materials expense   | 65,914,300.33                 | 38.90   | -                    | N/A  | N/A  |
|                               | Electricity fees    | 9,464,525.99                  | 5.59  | -                    | N/A  | N/A  |
|                               | Depreciation charge | 25,677,910.46                 | 15.15   | -                    | N/A  | N/A  |
|                               | Services and Others | 11,714,771.47                 | 6.91  | -                    | N/A  | N/A  |
|                               | Subtotal            | 169,453,411.36                | 100.00  | -                    | N/A  | N/A  |
| Mined silver                  | Labour expense      | -                             | N/A   | 1,937,851.67         | 46.89                                      | (100.00)   |
|                               | Materials expense   | -                             | N/A   | 744,104.89           | 18.00                                      | (100.00)   |
|                               | Electricity fees    | -                             | N/A   | 390,526.23           | 9.45                                       | (100.00)   |
|                               | Depreciation charge | -                             | N/A   | 827,592.66           | 20.02                                      | (100.00)   |
|                               | Services and Others | -                             | N/A   | 233,072.41           | 5.64                                       | (100.00)   |
|                               | Subtotal            | -                             | N/A   | 4,133,147.86         | 100.00                                     | (100.00)   |
| Others                        | Labour expense      | 6,998,869.93                  | 2.94  | 7,125,473.31         | 3.08                                       | (1.78)   |
|                               | Materials expense   | 224,554,275.06                | 94.42   | 217,525,032.46       | 93.89                                      | 3.23   |
|                               | Electricity fees    | 1,382,814.10                  | 0.58  | 824,820.15           | 0.36                                       | 67.65  |
|                               | Depreciation charge | 3,462,841.32                  | 1.46  | 3,220,484.76         | 1.39                                       | 7.53   |
|                               | Services and Others | 1,427,977.64                  | 0.60  | 2,963,437.43         | 1.28                                       | (51.81)  |
|                               | Subtotal            | 237,826,778.05                | 100.00  | 231,659,248.11       | 100.00                                     | 2.66   |

# MANAGEMENT DISCUSSION AND ANALYSIS

- (6) Information on major customers and suppliers  
 A. Major customers of the Company

The sales to the top five customers amounted to RMB10,227.9155 million, accounting for 80.93% of the total sales for the year, among which the sales to related parties were nil, accounting for 0% of the total sales for the year. The sales from the largest customer accounted for 38.16% of the total sales for the year.

*Unit: Yuan Currency: RMB*

| No.   | Name of the customer                                    | Operating income  | Percentage<br>of the total<br>operating<br>income for<br>the year<br>(%) |
|-------|---|-------------------|--|
| 1     | ABC Refinery (Australia) Pty Ltd                        | 4,821,729,058.34  | 38.16  |
| 2     | Rand Refinery Proprietary Limited                       | 2,848,409,872.43  | 22.54  |
| 3     | Huadian Gold Co., Ltd                                   | 1,395,803,128.11  | 11.04  |
| 4     | Bank of Ghana   | 591,785,327.48    | 4.68   |
| 5-1   | Shandong Jinchuang Gold and<br>Silver Smelting Co., Ltd | 354,292,808.18    | 2.80   |
| 5-2   | Shanjin Ruipeng (Tianjin) Trading<br>Co., Ltd           | 215,895,282.43    | 1.71   |
| Total |   | 10,227,915,476.97 | 80.93  |

# MANAGEMENT DISCUSSION AND ANALYSIS

## B. Major suppliers of the Company

Purchases from the top five suppliers amounted to RMB1,460.8808 million, accounting for 21.89% of the total purchase amount for the year, among which the purchases from related parties were nil, accounting for 0% of the total purchase amount for the year. The purchase amount from the largest supplier accounted for 7.03% of the total purchase amount of the year.

*Unit: Yuan Currency: RMB*

| No.   | Name of the supplier                     | Purchase amount  | Percentage<br>of the total<br>purchase<br>amount for<br>the year<br>(%) |
|-------|--|------------------|---|
| 1     | Setters Investment Co., Ltd              | 468,787,980.93   | 7.03  |
| 2     | Yellow Power Ghana Limited               | 407,179,925.49   | 6.10  |
| 3     | Electricite Du Laos                      | 223,296,310.34   | 3.35  |
| 4     | TD Lao and MVDC Joint Venture<br>Co. Ltd | 207,540,009.09   | 3.11  |
| 5     | Zhejiang Baoshu Construction<br>Co. Ltd. | 154,076,561.24   | 2.30  |
| Total |  | 1,460,880,787.09 | 21.89   |

# MANAGEMENT DISCUSSION AND ANALYSIS

## (II) Key Accounting Data and Financial Indicators for the Reporting Period

### 1. Key quarterly financial data 2025

Unit: Yuan Currency: RMB

|   | Q1<br>(Jan-Mar)  | Q2<br>(Apr-Jun)  | Q3<br>(Jul-Sep)  | Q4<br>(Oct-Dec)  |
|---|------------------|------------------|------------------|------------------|
| Operating income  | 2,407,203,605.84 | 2,864,834,007.12 | 3,372,133,316.04 | 3,994,335,300.12 |
| Net profit attributable to shareholders of the parent   | 483,416,308.44   | 623,485,343.44   | 951,080,888.09   | 1,024,385,251.71 |
| Net profit attributable to shareholders of the parent<br>after deducting non-recurring profits and losses | 488,252,302.63   | 623,656,344.62   | 914,055,609.68   | 1,032,308,227.49 |
| Net cash flows from operating activities  | 338,008,396.30   | 1,274,723,206.26 | 1,422,908,792.64 | 2,519,948,892.30 |

### 2. Non-recurring gains or losses items and amounts

Unit: Yuan Currency: RMB

|  | 2025                   | 2024           |
|--|------------------------|----------------|
| Gains or losses from disposal of non-current assets,<br>including the write-off of the provision for impairment of<br>assets   | <b>452,946.45</b>      | 70,752,328.28  |
| Government grants included in the current profit or loss,<br>except those that are closely related to the Group's<br>normal business operations, which comply with national<br>policies and can be obtained based on established<br>standards, and which have a continuing impact on the<br>Group's profit or loss | <b>3,163,888.54</b>    | 2,444,570.99   |
| Gains or losses from changes in fair value of financial<br>assets and financial liabilities held by non-financial<br>enterprises, and gains or losses from the disposal of<br>financial assets and financial liabilities except effective<br>hedging related to the Group's normal business<br>operations          | <b>42,669,606.18</b>   | (6,695,775.42) |
| Losses of assets arising from force majeure, such as<br>natural disasters ( <i>note</i> )  | <b>(22,575,406.04)</b> | –              |
| Reversal of impairment provision for receivables which<br>was individually tested for impairment   | <b>310,254.28</b>      | 1,777,552.54   |
| Non-operating income and expenses other than reasons<br>mentioned above  | <b>(14,668,999.14)</b> | (4,653,206.01) |
| Other gains or losses within the definition of non-recurring<br>gains or losses  | <b>487,138.80</b>      | 262,525.77     |
| <b>Subtotal</b>  | <b>9,839,429.07</b>    | 63,887,996.15  |
| Less: Effect of income tax   | <b>11,866.03</b>       | (118,442.13)   |
| Impact on non-controlling interests (after tax)  | <b>(14,267,744.22)</b> | (79,571.71)    |
| <b>Total</b>   | <b>24,095,307.26</b>   | 64,086,009.99  |

*Note:* The loss arising from natural disasters in 2025 was the damage of the work in progress products of Chixia Mining, an overseas subsidiary of the Group, caused by typhoon in Laos.

# MANAGEMENT DISCUSSION AND ANALYSIS

### 3. Items measured at fair value

Unit: Yuan Currency: RMB

| Items                                  | Balance at the beginning of the Reporting Period | Balance at the end of the Reporting Period | Changes in the current period | Impact on the profit for the current period |
|--|--|--|-------------------------------|---|
| Financial assets held for trading      | 9,998,984.68                                     | 19,231,618.75                              | 9,232,634.07                  | 39,676,504.33                               |
| Derivative financial instruments       | 5,251,800.00                                     | –  | (5,251,800.00)                | (30,946,580.07)                             |
| Investments in other equity instrument | –  | 10,000,000.00                              | 10,000,000.00                 | –   |
| Financial liabilities held for trading | (707,020,000.00)                                 | –  | 707,020,000.00                | (32,475,515.38)                             |
| Total                                  | (691,769,215.32)                                 | 29,231,618.75                              | 721,000,834.07                | (23,745,591.12)                             |

### 4. Key financial ratios

| Financial Ratios                  | As at 31 December 2025 | As at 31 December 2024 | Change for the end of current period over the end of last year | Reasons for change  |
|-----------------------------------|------------------------|------------------------|--|---|
| Current ratio <sup>(note 1)</sup> | 275.29%                | 158.09%                | Increased by 117.20 pp   | The increase in the Group's own funds resulting from operation accumulation and the proceeds from listing on the Hong Kong Stock Exchange |
| Quick ratio <sup>(note 2)</sup>   | 199.78%                | 88.56%                 | Increased by 111.22 pp   | The increase in the Group's own funds resulting from operation accumulation and the proceeds from listing on the Hong Kong Stock Exchange |
| Gearing ratio <sup>(note 3)</sup> | 33.91%                 | 47.25%                 | Decreased by 13.34 pp  | The decrease in the scale of the debt and the increase in the scale of assets   |

Notes: 1. Current ratio is calculated as total current assets divided by the total current liabilities.

2. Quick ratio is calculated as total current assets less inventories and prepayments divided by total current liabilities.

3. Gearing ratio is calculated as total liabilities of the Group divided by total assets of the Group.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 5. *Liquidity and Financial Resources*

As at 31 December 2025, the Group had cash and bank balances of RMB6,821 million (as at 31 December 2024: RMB2,747 million).

As at 31 December 2025, the Group had interest-bearing bank liabilities of RMB878 million (as at 31 December 2024: RMB2,697 million), of which the interest-bearing bank liabilities due within one year amounted to RMB809 million (as at 31 December 2024: RMB2,097 million); the interest-bearing bank liabilities due within one to two years amounted to RMB69 million (as at 31 December 2024: RMB380 million); the interest-bearing bank liabilities due within two to five years were nil (as at 31 December 2024: RMB220 million).

The interest-bearing bank liabilities consisted of three categories: short-term borrowings, financial liabilities held for trading and long-term borrowings.

Short-term borrowings: As at 31 December 2025, the short-term borrowings amounted to RMB708 million at an interest rate ranging from 1.20% to 5.34% per annum (as at 31 December 2024: RMB1,108 million at an interest rate ranging from 2.35% to 5.70% per annum).

Financial liabilities held for trading: the Group has entered into gold leasing contracts with banks for financing purposes, under which it leased gold within the bank's credit limit and sold the gold through the Shanghai Gold Exchange trading system. The Group repurchased an equivalent amount of gold with the same specifications through the system before the lease expiry date to repay the bank on the due date. The agreed lease fee is paid on schedule (generally on the bank's quarterly interest payment date), and the lease term is generally within 1 year (inclusive). The year-end balance of liabilities from gold leasing represents the fair value of gold borrowed from banks as at the balance sheet date. As at 31 December 2025, the amount of financial liabilities held for trading was nil (as at 31 December 2024: RMB707 million).

Long-term borrowings (including long-term borrowings due within one year): As at 31 December 2025, the long-term borrowings amounted to RMB170 million at an interest rate ranging from 2.70% to 3.15% per annum (as at 31 December 2024: RMB882 million at an interest rate of 3.20% to 5.69% per annum).

For the year ended 31 December 2025, the Group financed its operations through equity financing, bank loans, internally generated cash flows, and the proceeds from the listing on the Hong Kong Stock Exchange. The Group pursues a prudent treasury management policy and actively manages its liquidity position with sufficient standby banking facilities to cope with daily operation and any demands for capital in future development.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 6. Foreign Exchange Risk Management

The reporting currency of the Group and the functional currencies of its domestic subsidiaries is RMB, while the functional currencies of the Group's overseas gold mining and rare earth mining subsidiaries are USD and RMB, respectively. Some of the Group's assets are located in Laos and Ghana. The operating costs and expenses of overseas subsidiaries are, in some cases, denominated in local currencies and, therefore, the Group is exposed to fluctuations in the USD, LAK and GHS. In addition, as the presentation currency of the Group is RMB, the financial reporting amounts of the overseas subsidiaries, whose functional currency is USD are translated into RMB for consolidation purposes.

The Group manages its foreign exchange business in a coordinated manner and uses forward exchange contracts to minimize its exposure to exchange rate risk when necessary, depending on the market trend. At the same time, the Group usually holds a very small amount of cash in local currencies to avoid exposure to local currency fluctuations and purchases local currencies only when local payments are required. The Group is able to use all Ghanaian Cedis received from the Bank of Ghana or Laotian Kip and Ghanaian Cedis converted from U.S. dollar operating incomes for the Group's operating and capital expenditures at short notice to keep the Group's local currency cash at a minimum level. The Group continuously monitors its exposure to foreign currency exchange risk.

## (III) Analysis of Assets and Liabilities

### 1. Assets and liabilities

Unit: Yuan Currency: RMB

| Items                    | Closing balance at the end of the Reporting Period | Proportion to total assets at the end of the Reporting Period (%) | Closing balance at the end of last year | Proportion to total assets at the end of last year (%) | Change of the closing balance (%) | Explanations   |
|--------------------------|--|---|---|--|-----------------------------------|--|
| Cash and bank balances   | 6,820,720,561.54                                   | 27.30   | 2,747,442,442.93                        | 13.52  | 148.26                            | Self-owned funds of the Group increased during the current period due to the inflow of free cash flow and the proceeds from the listing on the Hong Kong Stock Exchange. |
| Trade receivables        | 466,577,452.85                                     | 1.87  | 587,165,738.54                          | 2.89   | (20.54)                           | The receipt of the receivables from customers increased during the Reporting Period.   |
| Prepayments              | 126,376,173.62                                     | 0.51  | 276,484,571.30                          | 1.36   | (54.29)                           | The consolidation of rare earth business to the Group in the Reporting Period.   |
| Construction in progress | 776,911,092.97                                     | 3.11  | 677,866,937.65                          | 3.33   | 14.61                             | Investment in production expansion projects in the current period increased.   |

# MANAGEMENT DISCUSSION AND ANALYSIS

| Items                                  | Closing balance at the end of the Reporting Period | Proportion to total assets at the end of the Reporting Period (%) | Closing balance at the end of last year | Proportion to total assets at the end of last year (%) | Change of the closing balance (%) | Explanations   |
|--|--|---|---|--|-----------------------------------|--|
| Other non-current assets               | 253,470,802.69                                     | 1.01  | 206,516,336.78                          | 1.02   | 22.74                             | The tailings storage facility project was launched and compensations for land use were paid to local residents during the Reporting Period.  |
| Financial liabilities held for trading | -  | -   | 707,020,000.00                          | 3.48   | (100.00)                          | The gold leases under the previous model were all repaid by the end of the Reporting Period. The new gold leasings were all hedged by the banks and recognized in "Short-term borrowings". |
| Tax payable                            | 1,338,090,221.61                                   | 5.36  | 698,951,345.10                          | 3.44   | 91.44                             | The balances of the growth and sustainability levy and corporate income tax increased at the end of the Reporting Period.  |
| Other payables                         | 409,073,379.19                                     | 1.64  | 225,263,620.79                          | 1.11   | 81.60                             | The Company received the funds from the Phase III Employee Stock Ownership Plan and the vesting criteria have not been met by the end of the Reporting Period.                             |
| Long-term borrowings                   | 69,617,398.59                                      | 0.28  | 599,502,985.86                          | 2.95   | (88.39)                           | Part of the long-term borrowings were prepaid.   |

## MANAGEMENT DISCUSSION AND ANALYSIS

### 2. Overseas assets

#### (1) Asset Size

Overseas assets were RMB17,186.0038 million, accounting for 68.80% of the total assets of the Group as at 31 December 2025.

#### (2) Relevant explanations on the overseas assets with a relatively large proportion

Unit: ten thousands Yuan Currency: RMB

| Name of overseas assets | Initial recognition    | Operational model | Operating income for the Reporting Period | Net profit/ (loss) for the Reporting Period |
|-------------------------|------------------------|-------------------|---|---|
| LXML                    | Merger and acquisition | Self-operation    | 529,886.94                                | 143,181.32                                  |
| Golden Star Resources   | Merger and acquisition | Self-operation    | 354,771.49                                | 43,876.88                                   |
| Chixia Mining           | Merger and acquisition | Self-operation    | 13,957.38                                 | (13,558.09)                                 |

### 3. Main restrictions on assets as at the end of the Reporting Period

Unit: Yuan Currency: RMB

| Item                     | Carrying amount at the end of the Reporting Period | Reasons for restriction |
|--------------------------|--|-------------------------|
| Cash and bank balances   | 118,011,032.64                                     | Note 1                  |
| Other non-current assets | 121,120,040.47                                     | Note 2                  |
| Fixed assets             | 195,271,568.52                                     | Note 3                  |
| Total                    | 434,402,641.63                                     |                         |

*Note 1:* As at 31 December 2025, the Group's cash and bank balances restricted from being used was RMB118,011,032.64, listed under "Other Monetary Fund". Among them, RMB16,163,720.64 is the fund provided for mine geological environment governance and restoration, with the relevant amount deposited in a designated bank account and restricted for use in land reclamation and environmental protection after mine closure; USD14,490,000.00 is a one-year term deposit of GSWL, with the deposit period from 9 December 2025 to 9 December 2026, at an interest rate of 4.0%. The term deposit has been used as collateral to secure the bank guarantee opened in the name of GSWL for fulfilling its land reclamation obligations.

# MANAGEMENT DISCUSSION AND ANALYSIS

*Note 2:* As at 31 December 2025, other non-current assets of the Group restricted from being used (including the portion due within one year) amounted to RMB121,120,040.47, which were restricted due to the Group's contribution to the mine geological environment governance and restoration fund that cannot be withdrawn on demand.

*Note 3:* As at 31 December 2025, the Group's long-term borrowings of RMB100,367,878.16 were secured by fixed assets of Wulong Mining and Jilong Mining with carrying amounts of RMB135,119,736.54 and RMB60,151,831.98, respectively.

Apart from the above, the Group has no material pledge of assets or contingent liabilities as at 31 December 2025.

## (IV) Analysis on Operational Information of the Industry

*Analysis on business information of non-ferrous metal industry*

Costs of ore raw materials

*Unit: ten thousands Yuan Currency: RMB*

| Type and source of ore raw materials | Total costs<br>of raw materials | Proportion<br>(%) | Change in<br>total costs of<br>raw materials<br>compared with<br>the same period<br>last year<br>(%) |
|--------------------------------------|---------------------------------|-------------------|--|
| Self-owned mines                     | 314,468.76                      | 100               | 23.48  |

# MANAGEMENT DISCUSSION AND ANALYSIS

## (V) Analysis on Investments

During the Reporting Period, the Company did not carry out any significant external equity investments.

### 1. Significant non-equity investment

Unit: ten thousands Yuan Currency: RMB

| Project name  | Accumulated investment amount as of 31 December 2024 | Investment for the Reporting Period | Accumulated investment amount as of 31 December 2025 | Source of funding   | Project progress | Expected target  |
|---|--|-------------------------------------|--|---|------------------|--|
| Far West Project of LXML                              | 13,143.84  | 782.67                              | 13,926.51  | Self-owned fund   | 97%              | Annual mining volume of 1.30 million tonnes  |
| Resin leaching project of LXML                        | 3,830.79   | 1,029.02                            | 4,859.81   | Self-owned fund   | 42%              | Recovery rate increase by 3.5%   |
| Copper Oxide Grinding Upgrade Project of LXML         | -  | 4,876.13                            | 4,876.13   | Fund raising from proceeds of listing on the Hong Kong Stock Exchange | 96%              | Ore grinding volume increase by approximately 30% and recovery rate increase by 5% |
| Dagudingzi Tailings Storage Facility of Wulong Mining | 122.30   | 7,800.00                            | 7,922.30   | Fund raising from proceeds of listing on the Hong Kong Stock Exchange | 21%              | Storage capacity of 9.73 million cubic meters                                      |

### 2. Financial assets measured at fair value

Unit: Yuan Currency: RMB

| Assets Category   | Balance at the beginning of the Reporting Period | Gains/ (losses) on Changes in fair value for the current period | Investment income for the current period | Purchase amount for the current period | Sales amount for the current period | Other               | Balance at the end of the Reporting Period |
|---|--|---|--|--|-------------------------------------|---------------------|--|
| Stock investments   | 9,998,984.68                                     | 9,758,004.91  | 26,694,726.18                            | 46,129,335.03                          | (72,824,061.21)                     | (525,370.84)        | 19,231,618.75                              |
| Gold leasing hedging contracts                            | 5,251,800.00                                     | (5,251,800.00)  | -  | -                                      | -                                   | -                   | -  |
| Other equity investments                                  | -  | -   | -  | 10,000,000.00                          | -                                   | -                   | 10,000,000.00                              |
| Banking wealth management products and structured deposit | -  | -   | 3,223,773.24                             | 2,543,780,000.00                       | (2,547,003,773.24)                  | -                   | -  |
| <b>Total</b>  | <b>15,250,784.68</b>                             | <b>4,506,204.91</b>   | <b>29,918,499.42</b>                     | <b>2,599,909,335.03</b>                | <b>(2,619,827,834.45)</b>           | <b>(525,370.84)</b> | <b>29,231,618.75</b>                       |

# MANAGEMENT DISCUSSION AND ANALYSIS

## Details of Securities Investment

| Securities type | Security Code | Security short name | Source of funding | Balance at the beginning of the Reporting Period | Gains/ (losses) on Changes In fair value for the current period | Purchase amount for the current period | Sales amount for the current period | Investment income for the current period | Exchange differences on foreign currency translation | Balance at the end of the Reporting Period | Accounting Item                   |
|-----------------|---------------|---------------------|-------------------|--|---|--|-------------------------------------|--|--|--|-----------------------------------|
| Stock           | MTC.ASX       | MetalsTech          | Self-owned funds  | 9,998,984.68                                     | 9,758,004.91  | -                                      | -                                   | -  | (525,370.84)   | 19,231,618.75                              | Financial assets held for trading |
| Stock           | 2259.HK       | Zijin Gold Intl     | Self-owned funds  | -  | -   | 46,129,335.03                          | (72,824,061.21)                     | 26,694,726.18                            | -  | -  | Financial assets held for trading |
| <b>Total</b>    | /             | /                   | /                 | 9,998,984.68                                     | 9,758,004.91  | 46,129,335.03                          | (72,824,061.21)                     | 26,694,726.18                            | (525,370.84)   | 19,231,618.75                              | /                                 |

*Note:* The initial investment costs in MetalsTech Limited and Zijin Gold International Company Limited were AUD3 million and HK\$50.5027 million, respectively.

### 3. Derivative Investments

On 28 March 2025, the Company held the 35th meeting of the eighth session of the Board and considered and approved the “Proposal on the Launch of Futures Hedging Activities in 2025”. It was agreed that the Company would make use of the hedging function of financial instruments to mitigate risks associated with the prices of major products such as gold and copper cathodes, as well as foreign exchange rate fluctuations, to ensure profit margins from product sales, control funding costs related to gold leasing financing and foreign currency borrowings, and carry out hedging activities on major products related to production and operation and foreign exchange risk exposures at appropriate times. This aims to enhance the Company’s risk resistance capability and ensure stable operations.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 4. Analysis on Major Companies in Which the Company has Invested

Unit: ten thousands Yuan Currency: RMB

| Company name                         | Type of company | Principal operation                                       | Registered capital           | Total assets | Net assets | Operating income | Operating profit/(loss) | Net profit/(loss) |
|--------------------------------------|-----------------|---|------------------------------|--------------|------------|------------------|-------------------------|-------------------|
| Jilong Mining                        | Subsidiary      | Gold mining and processing                                | 17,500                       | 252,111.47   | 202,512.37 | 138,338.26       | 96,330.43               | 82,169.97         |
| Huatai Mining                        | Subsidiary      | Gold mining and processing                                | 2,000                        | 32,756.75    | (1,243.10) | 3,690.22         | 149.32                  | 433.23            |
| Wulong Mining (note 2)               | Subsidiary      | Gold mining and processing                                | 4,000                        | 227,544.25   | 171,936.31 | 126,955.00       | 69,097.22               | 58,728.15         |
| Xinhenghe Mining (note 1 and 2)      | Subsidiary      | Gold mining and processing                                | 4,000                        | 57,189.35    | 40,504.13  | 31,327.48        | 22,332.21               | 18,592.99         |
| Hanfeng Mining                       | Subsidiary      | Non-ferrous metal mining and processing                   | 42,920                       | 76,878.77    | 63,848.17  | 42,459.38        | 15,222.29               | 12,705.52         |
| LXML                                 | Subsidiary      | Gold and non-ferrous metal mining and processing          | 1,436,516.83 million Lao LAK | 716,256.61   | 438,754.94 | 529,886.94       | 214,621.97              | 143,181.32        |
| Golden Star Resources (note 1 and 2) | Subsidiary      | Gold mining and processing                                | US\$932.9285 million         | 937,010.66   | 456,654.91 | 354,771.49       | 91,686.41               | 43,876.88         |
| Guangyuan Technology (note 2)        | Subsidiary      | Disassembling of waste electrical and electronic products | 4,477.60                     | 39,721.42    | 32,344.49  | 21,163.84        | (3,386.16)              | (2,344.79)        |
| Chijin Xiawu (note 1 and 2)          | Subsidiary      | Rare earth mining and processing                          | 40,000                       | 40,250.87    | 27,343.30  | 15,258.02        | (11,486.64)             | (13,756.57)       |

*Note 1:* The business substance of Xinhenghe Mining is held by its subsidiary Jintai Mining. The business substance of Golden Star Resources is held by its subsidiary GSWL. The business substance of Chijin Xiawu are held by its subsidiaries CIRE Mining and CIREX Mining.

*Note 2:* The financial data of Wulong Mining, Xinhenghe Mining, Golden Star Resources, Guangyuan Technology and Chijin Xiawu are based on their consolidated financial statement figures.

# MANAGEMENT DISCUSSION AND ANALYSIS

## MANAGEMENT DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY

### (I) Industry landscape and trends

Gold prices have maintained an upward trend amid shifting geopolitical landscapes and mounting concerns over the U.S. dollar system. The “de-dollarization” trend has caused the pricing logic of gold to deviate from traditional fundamental framework. The record-breaking gold purchases by global central banks demonstrate that gold is being re-endowed with the strategic attributes of being “non-sovereign and sanctions-resistant”. Fluctuations in U.S. dollar credit, inflation expectations, risk-off sentiment and other core drivers will continue to support a sustained uplift in the central pricing level of gold. Gold’s position and demand in global broad asset allocation have continued to rise, while various leading international investment banks have successively raised their medium-to-long-term gold price forecasts.

From a fundamental perspective, gold prices still have support on the upside: firstly, Federal Reserve rate cut expectations and further downside potential in the U.S. Dollar Index are conducive to strengthening gold’s financial and monetary attributes; secondly, geopolitical risks remain elevated; and thirdly, the “de-dollarization” trend persists, and the trend of central bank gold accumulation is difficult to reverse. Going forward, the upward impetus to gold prices from certain non-routine factors may moderate, and gold prices may periodically revert to the upper end of the range as determined by fundamentals. On the one hand, external geopolitical and policy pressures may ease, shifting relevant focus to domestic economic conditions; on the other hand, the market’s periodic over-trading of monetary policy expectations will gradually unwind, and the assessment of Federal Reserve policy will realign with the underlying fundamentals of the U.S. economy.

From a supply perspective, Metals Focus, a leading metals consultancy, forecast in its “Precious Metals Investment Focus Report” published in October 2025 that the global gold supply surplus will reach 41.9 million ounces in 2026, representing a year-on-year increase of 28%, while this incremental supply is expected to be absorbed by robust investment demand. During the same period, gold mine production may hit another record high, while recycled gold volumes are expected to increase by 6% to a 14-year high. In contrast, the World Gold Council stated in its “Gold Demand Trends: Q4 and Full Year 2025” published in January 2026 that further substantial expansion of gold production from current levels still faces significant constraints.

Gold prices are jointly driven by financial, monetary, commodity, risk-off and inflation-hedging attributes, with the relative weighting of each attribute changing in line with prevailing market conditions. Gold pricing is currently undergoing a structural paradigm shift, with its pricing logic progressively and materially decoupling from the U.S. dollar framework. Policy risks, inflation expectations and changes in the structure of investor holdings will collectively determine the future trajectory of the gold market.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (II) Development strategy of the Company

The Company focuses on the extraction and smelting of gold mines, and concentrating on high-quality gold mine resources both domestically and internationally, to become a dedicated and professional gold mining company. It actively explores the application of new technologies and processes to efficiently develop mineral resources. With a people-oriented approach, it gathers talent to build a high-quality and highly professional management team, vigorously promoting management innovation. The Company actively assumes its social responsibilities, emphasizes environmental protection, cares about community welfare and public welfare undertakings, ensures the Company's sustainable high-quality development, and establishes a corporate image rich in contemporary characteristics.

The Company adheres to the development strategy of "focusing on gold", unwaveringly developing its core business of gold mining, seizing the strategic opportunity presented by the transformation of the national economic structure, and maximizing economic and social value for its Shareholders. The Company's development goal is to become an international gold mining listed company with technological leadership, scientific management, significant cost advantages, abundant resource reserves, outstanding core competitiveness, and a good reputation in the gold market and capital market. The Company's development vision is "to be a prominent gold producer well recognized around the world".

## (III) Potential risks

### 1. Overall risk management

Facing a complex and volatile international political and economic environment, intensifying geopolitical conflicts, rising resource nationalism, and profound adjustments in the global mining landscape, the Company adheres to bottom-line thinking and systematic risk prevention. It continuously refines its comprehensive risk management system, embedding risk identification, assessment, monitoring, and response into all processes including strategic decision-making, investment and mergers, production operations, and financial management, and establishes a risk prevention mechanism covering both domestic and overseas assets, providing a solid foundation for the Company's global, scaled, and high-quality development.

### 2. Key risks and countermeasures

Geopolitical and country-specific policy risks

Frequent global geopolitical conflicts, de-globalization, and the rising trend of resource nationalism and uncertainties in policies, laws, tax systems, mining rights management, import and export controls in some countries may bring challenges to the Company's overseas project operations, cost control and new project mergers and acquisitions.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Countermeasures:

The Company remains committed to its global layout, embeds country-specific risk assessment into the entire investment decision-making process, continuously optimizes the structure of global resource allocation, and appropriately increases strategic layout in China and surrounding friendly countries. It closely tracks policy changes in host countries, strengthens research on international laws and commercial practices, deepens communication and cooperation with local governments and communities, practices the concept of “To benefit more people through the development of Chifeng Gold”, and comprehensively improves its international operation and risk response capabilities.

## Metal price volatility risk

Prices of products such as gold and copper cathode are significantly influenced by multiple factors including global supply and demand, geopolitics, monetary policy, inflation, and exchange rates, resulting in substantial volatility that directly impacts the Company’s profitability and cash flow stability. Concurrently, rising costs for energy and consumables further compress profit margins.

## Countermeasures:

Adhere to cost control, scale efficiency, and technological efficiency enhancement. Control unit costs through capacity expansion and efficiency improvements, centralized procurement, intelligent transformation, management optimization and other methods. Reasonably utilize financial instruments such as hedging to manage commodity price volatility risks, enhancing the stability and controllability of operating performance.

## Production operation and resource continuity risks

Mining operations are faced with challenges such as complex geological conditions, lower-than-expected new resource reserves, tight mining-excavation coordination and rising development costs. Increased difficulty in acquiring high-quality global resources and insufficient exploration investment may also affect long-term sustainable development.

## Countermeasures:

Adhere to a dual-drive strategy combining endogenous exploration for reserve growth with external mergers and acquisitions expansion. Increase exploration investment in key domestic and international regions, accelerate the conversion of exploration results into mining operations, and intensify efforts to achieve breakthroughs in deep and peripheral mineral exploration. Continuously optimize mining and excavation coordination and production organization, advance intelligent and large-scale technical upgrades, and enhance comprehensive resource utilization efficiency and development benefits.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Exchange rate risks

The Group is exposed to two kinds of exchange rate risk. One is the transactional exchange rate risk mainly arising from sales or purchases by operating units in currencies other than their functional currencies. The other is the risk of the translation of financial statements denominated in foreign currencies. The functional currency of the Group is RMB while some overseas subsidiaries adopt USD as their functional currencies. The exchange differences are formed when the financial statements of these overseas subsidiaries are retranslated into RMB at the balance sheet date.

### Countermeasures:

Adhering to the prudent and neutral principles, the Group centrally monitors exchange risk exposures and smooths out the impact of exchange rate fluctuations by utilizing tools like hedging.

## 3. *ESG-related risks*

### Community, labor, and social risks

Significant differences exist in the culture, religion, laws, and labor practices of the countries/regions where overseas projects are located, which may give rise to communication barriers, community conflicts or labor disputes that may disrupt project operation stability and social acceptance.

### Countermeasures:

Adhere to localized operations and development, actively promote local employment and procurement to support host-region industrial chain improvement and economic development; establish regular community communication and grievance handling mechanisms while respecting multiculturalism and stakeholder concerns; strengthen global compliance and legal system development to ensure that business activities strictly adhere to local laws and regulations and international practices.

## Work safety and occupational health risks

Mining operations involve blasting, the use of hazardous chemicals, and high-altitude/underground work. Inadequate management, non-standard operations, or natural disasters may lead to safety hazards or production safety accidents.

### Countermeasures:

Uphold the principle of “Life First, Safety Foremost”. Establish a comprehensive work safety responsibility system and supervision network, and improve safety management systems, operating procedures and training programs. Increase safety investments, promote the use of mechanized and intelligent equipment to enhance intrinsic safety levels. Conduct regular hazard identification and special rectification, strengthen contractor safety management, and build a full-chain safety control framework.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Environmental protection and climate-related risks

Mining operations may generate waste rock, waste residue, wastewater, and other by-products that may impact ecosystems if improperly managed and controlled. Increasingly frequent global extreme weather events and stricter low-carbon transition policies place higher demands on environmental governance, energy conservation, emissions reduction, and carbon management.

### Countermeasures:

Strictly comply with domestic and overseas environmental regulations and standards, adhere to the principle of conducting governance and restoration concurrently with mining to advance green mining and ecological restoration; improve wastewater, waste residue, and waste gas treatment facilities to promote resource recycling and harmless disposal of hazardous waste; actively address climate change by formulating carbon reduction and low-carbon development pathways, advancing clean energy substitution, and continuously improving ESG governance and brand value.

The Company will continuously improve its comprehensive risk management system, strengthen risk anticipation, source prevention, and closed-loop management, and continuously enhance its ability to operate steadily and develop sustainably in complex environments to effectively safeguard the long-term interests of the Company and all Shareholders.

## BUSINESS OUTLOOK

The Company's gold production and sales target for 2026 is 14.7 tonnes, and the target for electrolytic copper production is 11,000 tonnes. Focusing on key tasks for the year, the Company will fully commit to safe production, increased production and reserves, and enhanced quality and efficiency. 2026 is also a crucial year for accumulating momentum for a new round of strategic breakthroughs, laying the foundation for a leap in production during 2028-2030.

### 1. Advance from “stable operations” to “strategic breakthroughs”

Taking the A+H dual capital platform as a new starting point, fully launch strategic breakthroughs, transforming the developmental momentum accumulated in 2025 into tangible growth drivers. Centering on value creation and value realization, focus on increasing production, reducing costs, and solidifying resources. Adhering to the dual-wheel drive of organic growth and external expansion, tap internal potential while seizing external opportunities to accelerate the progress towards becoming a world-class gold mining company.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Improve quality and efficiency in operation management

Adhering to the “gold-focused” strategy, continuously increase exploration investment and intensify efforts in intelligent and large-scale technical upgrades of mines, promoting a virtuous cycle and leapfrog development of resource reserve increase, production capacity enhancement, and benefit realization. While ensuring production targets are met, maximize efficiency through management and pursue extreme cost competitiveness.

For domestic mines, continuously deepen refined management and control, optimize mining-excavation coordination, advance technological transformation in mineral processing, and strictly control energy and material consumption to maintain the advantages of AISC. Accelerate intelligent mine construction, and achieve tangible results in safety early warning, online monitoring, and production process optimization.

## 3. Deeply and solidly build up resource reserves to expand into new territories

Resources are the core foundation of mining enterprises. The Company will make greater efforts to consolidate its resource base:

For domestic mines, accelerate the pace of converting exploration results into mining operations, strengthen deep and peripheral exploration in key mines, and create new production capacity succession areas.

For the Sepon Gold and Copper Mine in Laos, complete a high-standard detailed exploration within the year, and simultaneously advance feasibility study, design, and bidding to accelerate the conversion of results.

For the Wassa Gold Mine in Ghana, complete the transition from resource exploration to reserve, deepen exploration in deep and peripheral areas, including the high-grade mineral belt of the DMH pit, and prudently advance the Father Brown project to provide a reliable basis for capacity expansion and production increase.

Simultaneously, fully leverage the advantages of the capital platform to establish a systematic mechanism for screening and evaluating global projects. Focus on high-quality resource projects that are synergistic with existing assets and possess stand-alone scale effects, so as to reserve high-quality targets for external expansion.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 4. Adhere to sustainable development and achieve safe and compliant operations

Thoroughly practice the ESG concepts and adhere to safe, green, compliant, and harmonious development: strengthen regular safety management, improve risk prevention and hazard identification and rectification mechanisms; enhance the compliance management system to enhance the level of lawful operations; actively fulfill social responsibilities, deepen win-win development with local communities and partners, enable more stakeholders to share in the Company's development achievements, and transform ESG advantages into core competitiveness in terms of brand reputation, financing capability, and social acceptance.

Against the backdrop of the current upward cycle of gold prices, and facing a complex and volatile external environment as well as arduous development tasks, the Company's management is confident and determined to anchor its strategic goals, build consensus among all employees, and fully accelerate the exploration layout of domestic and overseas mines and the construction progress of new projects with efficient execution. It will practice Chifeng Gold's value concept of "To benefit more people through the development of Chifeng Gold" and steadily advance towards the development vision of becoming a "globally welcomed major gold producer"!



# REPORT OF THE DIRECTORS

The Directors of the Company hereby submit the Report of the Directors and the audited financial statements of the Group for the year ended 31 December 2025.

## PRINCIPAL BUSINESS

We are principally engaged in the mining, processing and sales of gold. Our operations are centered in gold, and we work towards greater international development and expansion through continuous technological advancements, maintaining cost-effective operations, optimizing resource utilisation, and the acquisition of high-quality overseas resources.

Further details of the principal businesses of the Group's subsidiaries are set out in Note VIII.1 to the financial statements of this annual report.

### Results of Operations

The results of operations of the Group for the year ended 31 December 2025 are set out in the financial statements.

## USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares of the Company (before the exercise of the over-allotment options) were successfully listed on the Main Board of the Hong Kong Stock Exchange on 10 March 2025, and 205,652,000 H Shares were issued and allotted. The over-allotment option described in the Prospectus was fully exercised on 4 April 2025 in respect of an aggregate of 30,847,800 H Shares, representing approximately 15% of the total number of H Shares initially available under the Global Offering before any exercise of the over-allotment option.

The net proceeds from the Global Offering received by the Company were approximately HK\$3.1 billion after deducting underwriting commissions and listing expenses, which will be utilized for the purposes set out in the Prospectus. As at the date of this report, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. To the extent that net proceeds are not immediately used for the intended use, the Company will place the net proceeds as short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), or applicable laws and regulations in other jurisdictions).

# REPORT OF THE DIRECTORS

As of 31 December 2025, the details of the use of the proceeds in accordance with the planned purposes and proportions set out in the Prospectus are as follows:

| Use of proceeds                                       | Percentage<br>(%) | As of 31 December 2025                               |  |   |   | Estimated<br>usage time<br>of the<br>unutilized funds |
|---|-------------------|--|--|---|---|---|
|   |                   | The planned net<br>proceeds<br>(Ten thousand<br>HKD) | The planned<br>net proceeds<br>(Ten thousand<br>RMB) | Proceeds<br>used<br>(Ten thousand<br>RMB) | Unutilized<br>Proceeds<br>(Ten thousand<br>RMB) |   |
| Exploration and development<br>for the domestic mines | 30                | 92,986.71  | 83,987.46  | 14,691.00                                 | 69,296.46                                       | Before<br>31 December<br>2027                         |
| Exploration and development<br>for the overseas mines | 20                | 61,991.14  | 55,991.64  | 25,219.33                                 | 30,772.31                                       |   |
| Acquisitions of projects                              | 40                | 123,982.29   | 111,983.28   | –   | 111,983.28                                      |   |
| General corporate purposes                            | 10                | 30,995.57  | 27,995.82  | 27,995.82                                 | –   |   |
| <b>Total</b>  | <b>100</b>        | <b>309,955.71</b>                                    | <b>279,958.20</b>                                    | <b>67,906.15</b>                          | <b>212,052.05</b>                               |   |

Note: The amount in RMB is converted from HKD to RMB based on the exchange rate as of 31 December 2025.

## EMPLOYEES, REMUNERATION POLICY AND PENSION PLANS

The Company formulated the implementation measures for remuneration management in accordance with relevant national laws and regulations and in light of its actual situation to regulate the remuneration management of the Company, fully driving the motivation and innovation of the employees, improving work efficiency and attracting excellent talents.

The remuneration management of the Company achieve a sound remuneration strategy, and its remuneration scale is competitive among the comparable companies in the same industry. In addition to the sound remuneration strategy, it takes into full consideration the degree of influence, the contribution value and responsibility of the positions in relation of the development goals of the Company when determining the internal salary scale of the positions so as to fairly and reasonably determine the position hierarchy, formulate the salary of the positions, and any increase in salary. In addition, the employees' salary management and performance assessment of the Company are related to each other, and the salary is linked to the performance of the positions, stimulating the potential of the employees in the position and giving full play to their individual abilities.

# REPORT OF THE DIRECTORS

## Operations in the PRC

Employees are critical to the Group's success. The Group is committed to recruiting, training and retaining skilled and experienced employees throughout the operations. It intends to achieve this by offering competitive remuneration packages, which are above the market average, as well as focusing on training and career development. The remuneration packages, including salary, bonus, commercial insurance and other benefits, are designed to reward the employees based on their work performance as measured against specified work objectives. The Group undertakes yearly research on prevailing market remuneration conditions and adjusts its remuneration packages accordingly to ensure that the offer remains attractive compared with its competitors. In addition, the Group provides induction training and a wide range of on the job training to its employees on a regular basis to enhance their professional knowledge, improve their working skills and strengthen teamwork within the Company.

## Operations in Ghana and Laos

The Group has established comprehensive human resources systems to manage recruitment, employee development, salary and compensation, among other things. The Group designs remuneration packages with reference to the local mining industry benchmark, which are competitive compared with our competitors. The Group also make contributions to mandatory social security funds for our employees as required by the relevant laws and regulations of Laos and Ghana, respectively, and provides employee benefits such as commercial insurance.

As at 31 December 2025, the Group has a total of 6,738 (as at 31 December 2024: 6,911) employees in the PRC, Ghana, Laos, etc., covering various positions such as production, sales, technical, finance and administration. During the Reporting Period, the Group's total staff remuneration expenses were approximately RMB1.456 billion (approximately RMB1.37 billion for last year).

## I. EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

### (I) Employees

|   |       |
|---|-------|
| Number of employees in the parent company   | 77    |
| Number of employees in major subsidiaries   | 6,661 |
| Total number of employees in service  | 6,738 |
| Number of retired employees to whom the parent company and major subsidiaries have to bear costs and expenses | 0     |

# REPORT OF THE DIRECTORS

## Composition of job positions

| <b>Category of job positions</b> | <b>Numbers for personnel</b> |
|----------------------------------|------------------------------|
| Production staff                 | 4,676                        |
| Sales personnel                  | 7                            |
| Technical staff                  | 913                          |
| Financial staff                  | 58                           |
| Administrative staff             | 1,084                        |
| <b>Total</b>                     | <b>6,738</b>                 |

## Education degree

| <b>Category of education degree</b>  | <b>Number (persons)</b> |
|--------------------------------------|-------------------------|
| Holders of doctoral, master degrees  | 125                     |
| Holders of bachelor degrees          | 704                     |
| Holders of bachelor degrees or below | 5,909                   |
| <b>Total</b>                         | <b>6,738</b>            |

### (II) Remuneration policy

Further details of the remuneration policy are set out in “Employees, remuneration policy and pension plans” of this section.

# REPORT OF THE DIRECTORS

## (III) Training plan

1. We arrange pre-job training for new employees in a timely manner according to the recruitment of employees. The pre-job training is conducted by face-to-face teaching and experience, so that new employees can not only know the Company's various rules and regulations and business processes, but also learn mine knowledge on the spot and experience the "first-line" production environment of the mine.
2. We conduct on-the-job training for employees. According to the work arrangement and specific conditions, the Company conducts on-the-job training from time to time, which includes corporate compliance, cybersecurity, internal control system, corporate culture, skill improvement, mine knowledge, safety, environmental protection and so on. The training form is mainly internal training. The Human Resources Management department, which is in charge of training, hires practical experts and scholars in society and universities to carry out in-depth and systematic training for some training contents, so that trainees can learn more cutting-edge professional knowledge. Internal lecturers are also trained to form an endogenous driving force for organizational development and employee growth.
3. In cooperation with professional colleges and research institutions, the Company carries out on-the-job academic education, technical exchange and training for professional and technical personnel through correspondence and cooperation in running schools.
4. In accordance with the Company's international business development, the Company carries out international mining personnel training plan and related language training plan in a timely manner to promote the Company's business in overseas sustainable development. Meanwhile, according to the cultural background of overseas projects, the Company carries out various forms of cultural exchange training to enhance the human resource management concept and cultural integration between the parent company and its overseas subsidiaries.

## (IV) Labor outsourcing

|  |   |
|--|---|
|  | Company project outsourcing services, based on project volume calculation |
| Working hours of labor outsourcing                 |   |
| Total salary paid for labor outsourcing (RMB0'000) | 5,124.89  |

# REPORT OF THE DIRECTORS

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

### **Acquisition of China Investment Mining (Laos) Sole Co., Ltd.**

Reference is made to the section headed “History, Development and Corporate Structure – Post-Track Record Period Acquisition” in the Prospectus and the announcement of the Company dated 25 March 2025 in relation to (among others) the transaction of the Group’s acquisition of China Investment Mining (Laos) Sole Co., Ltd. In light of the Group’s overseas expansion and to facilitate its planning of rare earth exploration in Laos, on 4 March 2024, China Investment (Properties) Limited (“**China Investment**”) (as seller), China Investment Mining (Laos) Sole Co., Ltd (as the target company, the “**Target Company**”), Chixia Laos (as purchaser) and Chijin Xiawu (as guarantor) entered into an equity transfer agreement, pursuant to which Chixia Laos shall acquire from China Investment 90% of the equity interest in the Target Company, which was wholly owned by China Investment, at a total consideration of US\$18,963,000.

The Target Company holds 86% equity interest in each of its two subsidiaries, namely CIRE Mining and CIREX Mining, and the remaining 14% equity interest in each of CIRE Mining and CIREX Mining is held by DDC Mining Sole Co., Ltd, an independent third party. The Target Company operates the Mengkham Rare Earth Element Project covering the mining area of 42 km<sup>2</sup>, whereby the genetic type of the mineral deposit belongs to the weathering crust ion-adsorbed rare earth deposit. CIRE Mining holds a rare earth mineral processing permit (experimental) and a mineral extraction permit (experimental). CIREX Mining holds a rare earth exploration permit.

The rare earth project represents an opportunity for the Group to tap into the potential for quality rare earth resources with a relatively higher economic value to be realised through the medium-heavy rare earth ore held by the project. The Directors are of the view that the proposed acquisition is in our ordinary and usual course of business and on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at 25 March 2025, all transacting parties confirmed in writing that the transaction was completed, and accordingly, the acquisition of the Target Company was completed. Following the completion, the Target Company has become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Group have been consolidated into the Group’s financial statements. The Target Company has been renamed Chixia Mining (Laos) Co., Ltd.

### **Future Plans for Material Investments or Capital Assets**

Save as disclosed above, there were no significant investments, material acquisitions or disposals in respect of subsidiaries, associates and joint ventures during the Reporting Period. Other than as disclosed in the section headed “Future Plans and Use of Proceeds” as disclosed in the Prospectus and in this “Management Discussion and Analysis on Future Development of the Company” section, there was no plan authorized by the Board for other material investments or additions of capital assets as at the date of this annual report.

# REPORT OF THE DIRECTORS

## PLAN FOR PROFIT DISTRIBUTION AND INCREASE IN SHARE CAPITAL FROM CAPITAL RESERVE

### (I) Formulation, implementation or adjustment of the cash dividend policy

The Company considered and approved the “Shareholders’ Return Plan for the Next Three Years (2025-2027) of Chifeng Jilong Gold Mining Co., Ltd.” at the 2024 annual general meeting of the Company, stipulating that, subject to satisfaction of the aforementioned cash dividend conditions, the Company should, in principle, distribute no less than 45% of the cumulative average annual distributable profits realized over the same three-year period in cash within these three years.

After being audited by Ernst & Young Hua Ming LLP, based on the CASBE, the consolidated financial statements of the Group for the year 2025 show that the net profit attributable to Shareholders of the parent was RMB3,082,367,791.68. The parent company’s financial statements for the year 2025 recorded a net loss of RMB49,490,068.02. No statutory surplus reserve was extracted. Cash dividend of RMB304,065,788.48 was distributed. Adding the retained earnings from previous years of RMB2,356,024,316.66, as of 31 December 2025, the cumulative distributable profit of the parent company was RMB2,002,468,460.16.

The Board proposes that the Company’s dividend distribution plan for the year 2025 be as follows: the Company proposes to distribute a cash dividend of RMB0.32 (tax inclusive) per Share to all Shareholders who are eligible for distribution on the record date determined by the profit distribution implementation announcement for 2025. The actual amount of cash dividend to be distributed will be determined according to the number of Shares on the record date. There will be no distribution of bonus Shares or conversion of capital reserve into share capital for 2025 by the Company. The distribution plan shall be subject to consideration and approval by the Shareholders at the 2025 AGM.

# REPORT OF THE DIRECTORS

## (II) Particulars of Cash Dividend Policy

|   |       |
|---|-------|
| Whether it complies with the provisions of the Articles of Association or the requirements of the resolution of the general meeting   | ✓ Yes |
| Whether the standard and proportion of dividends are clear and definite   | ✓ Yes |
| Whether the relevant decision-making procedures and mechanisms are complete   | ✓ Yes |
| Whether independent directors have performed their duties and played their role properly  | ✓ Yes |
| Whether minority shareholders have the opportunity to fully express their opinions and appeals, and whether their legitimate rights and interests have been fully protected | ✓ Yes |

## (III) Plans for profit distribution and conversion of capital reserve into share capital for the Reporting Period

Unit: Yuan Currency: RMB

|  |                  |
|--|------------------|
| Number of bonus Shares per Share (share)   | 0                |
| Amount of dividend per Share (RMB) (tax inclusive)   | 0.32             |
| Number of Shares converted per Share (share)   | 0                |
| Amount of cash dividends (tax inclusive) <i>(note)</i>   | 608,131,576.96   |
| Net profit attributable to the ordinary shareholders of the Listed Company in the consolidated financial statements  | 3,082,367,791.68 |
| Amount of cash dividend as a percentage of net profit attributable to ordinary shareholders of the Company in the consolidated financial statements (%)    | 19.73            |
| Amount paid for Shares repurchased in cash included in cash dividends  | 0                |
| Total amount of dividends (tax inclusive)  | 608,131,576.96   |
| Percentage of total dividend amount to net profit attributable to ordinary shareholders of the Listed Company in the consolidated financial statements (%) | 19.73            |

*Note:* The profit distribution plan is subject to the approval at the general meeting. If there is a change in the total share capital of the Company between the date of consideration of the 2025 AGM and the date of registration of the right to implement the profit distribution, the Company intends to maintain the amount of distribution per Share unchanged and adjust the total amount of distribution accordingly.

# REPORT OF THE DIRECTORS

## (IV) Cash dividend in the recent three financial years

Unit: Yuan Currency: RMB

|   |                  |
|---|------------------|
| Accumulated amount of cash dividends (tax inclusive)<br>in the recent three financial years (1)   | 994,633,804.34   |
| Aggregate amount of repurchase and cancelation<br>in the recent three financial years (2)   | 0                |
| Accumulated amount of cash dividends and repurchase<br>and cancelation in the recent three financial years (3) = (1) + (2)                          | 994,633,804.34   |
| Average net profit amount for the recent three financial years (4)  | 1,883,547,026.42 |
| Cash dividend ratio (%) for the recent three financial years (5) = (3)/(4)  | 52.81            |
| Net profit attributable to ordinary shareholders<br>of the Listed Company in the consolidated<br>financial statements for the recent financial year | 3,082,367,791.68 |
| The undistributed profit at the end of the recent<br>accounting year in the parent company's statements   | 2,002,468,460.16 |

## EQUITY INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES AND THEIR IMPACT

Relevant incentive events have been disclosed in the temporary announcement of the Company on the Shanghai Stock Exchange and there is no further development or change in subsequent implementation.

### Summary of the Event

On 30 December 2024, the Company convened the 33rd meeting of the Eighth Session of the Board of Directors to consider and approve, among others, the "Proposal on the Phase III Employee Stock Ownership Plan (Draft) of Chifeng Jilong Gold Mining Co., Ltd. and its Summary", the "Proposal on the Administrative Measures for the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.", and the "Proposal on Requesting the General Meeting to Authorize the Board to Handle Matters Related to the Company's Phase III Employee Stock Ownership Plan". On the same day, the Company convened the staff representative meeting to consider and approve the "Proposal on the Phase III Employee Stock Ownership Plan (Draft) of Chifeng Jilong Gold Mining Co., Ltd. and its Summary".

### Inquiry Index

The "Announcement of Resolutions Passed at the 33rd Meeting of the Eighth Session of the Board of Directors of Chifeng Gold" and the "Announcement of Resolutions of the Employee Representative Meeting of Chifeng Gold" published on 31 December 2024 on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and designated media for information disclosure.

# REPORT OF THE DIRECTORS

## Summary of the Event

## Inquiry Index

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On 15 January 2025, the Company held its first extraordinary general meeting in 2025, at which the following proposals were considered and approved: the “Proposal on the Phase III Employee Stock Ownership Plan (Draft) of Chifeng Jilong Gold Mining Co., Ltd. and its Summary”, the “Proposal on the Administrative Measures for the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.”, and the “Proposal on Requesting the General Meeting to Authorize the Board to Handle Matters Related to the Company’s Phase III Employee Stock Ownership Plan”.

The holders of the Company’s Phase III Employee Stock Ownership Plan held their first meeting on 17 February 2025, and considered and approved the following proposals: the “Proposal on Establishing the Management Committee of the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.”, the “Proposal on Electing the Members of the Management Committee of the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.”, and the “Proposal on Authorizing the Management Committee of the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd. to Handle Relevant Matters of This Employee Stock Ownership Plan”.

The “Announcement of the Resolution of the First Extraordinary General Meeting of Chifeng Gold in 2025” published on 16 January 2025 on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and designated media for information disclosure.

The “Announcement of the First Meeting Resolution of the Phase III Employee Stock Ownership Plan of Chifeng Gold” published on 18 February 2025 on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and designated information media.

# REPORT OF THE DIRECTORS

## Summary of the Event

## Inquiry Index

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On 24 February 2025, the Company received the “Confirmation of Securities Transfer Registration” issued by China Securities Depository and Clearing Corporation Limited. The dedicated securities account of the Company’s Phase III Employee Stock Ownership Plan acquired, by way of non-trading transfer on 21 February 2025, 15,182,600 Shares from the Company’s repurchase dedicated securities account, representing 0.9125% of the Company’s current total share capital, and the transfer price was RMB14.50 per Share. Accordingly, the Company’s Phase III Employee Stock Ownership Plan has completed the Shares transfer. The lock-up period for the Shares is 12 months, from 25 February 2025 to 24 February 2026.

As of 1 April 2025, all the Company’s Shares held in the Phase I Employee Stock Ownership Plan have been sold through centralized competitive bidding.

On 24 February 2026, the lock-up period of the Company’s Phase III Employee Stock Ownership Plan expired.

The “Announcement of Chifeng Gold on the Completion of Shares Transfer for the Phase III Employee Stock Ownership Plan” published on 25 February 2025 on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and designated information media.

The “Announcement of Chifeng Gold on the Completion of the Sale of Shares under the Phase I Employee Stock Ownership Plan” published on 2 April 2025 on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and designated information media.

The “Warning Announcement on the Expiration of the Lock-up Period of the Phase III Employee Stock Ownership Plan of Chifeng Gold” published on 25 February 2026 on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and designated information media.

# REPORT OF THE DIRECTORS

## PERFORMANCE OF COMMITMENTS

Commitments made by actual controllers, Shareholders, related parties, acquirers of the Company, and the Company and other related parties making commitments during the Reporting Period or continuing to the Reporting Period.

| Background of commitment                               | Type of commitment | Committed by   | Content of commitment  | Date and deadline of commitment    | Whether there is a deadline for performance | Whether it is strictly performed in time |
|--|--------------------|--|--|------------------------------------|---|--|
| Commitment related to significant assets restructuring | Others             | Li Jinyang (Zhao Meiguang), Zhejiang Hanfeng, Meng Qingguo | Commitments in the issue of shares to purchase assets in 2019: The equity of Hanfeng Mining held by me/the partnership is truly, legally and effectively held, and there is no agreement, trust or other way to hold equity or interest arrangement with other parties. There are no ownership disputes, no restrictions on the rights of third parties such as mortgage and pledge, seizure or freezing. The equity ownership of Hanfeng Mining held by me/the partnership is clear, and does not involve any material dispute such as litigation, arbitration, judicial enforcement or other circumstances that hinder the transfer of ownership.  | April 1, 2019, long-term effective | No  | Yes                                      |
|  | Others             | Li Jinyang (Zhao Meiguang), Zhejiang Hanfeng, Meng Qingguo | Commitments in the issue of shares to purchase assets in 2019: (1) The paper and electronic materials provided by me/the partnership for this transaction are complete, authentic and reliable, and the relevant duplicates or copies are consistent with the originals. All signatures and seals on the documents are authentic and valid, and the copies are consistent with the originals. I/the Partnership guarantee the authenticity, accuracy and completeness of the materials and information provided, and guarantee that there are no false records, misleading statements or major omissions. If there are false records, misleading statements or major omissions in the information provided, resulting in losses to the listed company or investors, I/the partnership will be liable for compensation according to law. (2) After the completion of the transaction, if the information provided by me/the partnership about the transaction involving Hanfeng Mining is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or the China Securities Regulatory Commission, prior to the conclusion of the investigation, I/the partnership shall not transfer the shares that have an interest in the listed company. | April 1, 2019, long-term effective | No  | Yes                                      |

## REPORT OF THE DIRECTORS

| Background of commitment | Type of commitment | Committed by               | Content of commitment  | Date and deadline of commitment      | Whether there is a deadline for performance | Whether it is strictly performed in time |
|--------------------------|--------------------|----------------------------|--|--------------------------------------|---|--|
|                          | Others             | Li Jinyang (Zhao Meiguang) | <p>Commitments in the issue of shares to purchase assets in 2019: (1) I guarantee that the directors, supervisors and senior executives of the listed company are elected, replaced, engaged or dismissed in accordance with laws, regulations, normative documents and the Articles of Association. I shall not exceed the board of directors and the general meeting to illegally interfere with the above-mentioned personnel appointment and removal of the listed company, and ensure that the listed company is independent from the controlling shareholder in terms of labor and personnel management system. (2) I guarantee that the listed company has complete operating assets and domicile and independent of the controlling shareholder. I guarantee that I and other enterprises controlled by Chifeng Gold and its subsidiaries shall not occupy the funds, assets and other resources of the listed company in violation of regulations. (3) I guarantee that the listed company will establish and improve the corporate governance structure and independent and complete organizational structure, and standardize its operation. I guarantee that the listed company is completely separated from myself and other enterprises under my control in terms of office and production and business premises. (4) I guarantee that the listed company has the assets, personnel, qualifications and the ability to operate independently for the market, and operates independently in business. I guarantee not to interfere in the business activities of listed companies except legally exercising the rights of shareholders. I guarantee to reduce or eliminate related party transactions with listed companies in a legal manner, and if necessary, the price of related party transactions shall be determined according to the principles of fairness, reasonableness and marketization. I guarantee that the interests of the listed company and other shareholders are not damaged, and perform the obligation of information disclosure in a timely manner. (5) I guarantee that the listed company has an independent financial accounting department and establishes an independent financial accounting system and financial management system. I guarantee that the listed company opens an account in a bank independently and do not share the same bank account with myself and other enterprises controlled by me. I guarantee that the listed company makes financial decisions independently, and I and other enterprises under my control shall not interfere in the use of funds of the listed company. I guarantee that the listed company pays taxes independently according to law. and I guarantee that the financial personnel of the listed company are independent, and shall not take part-time jobs and receive remuneration in myself and other enterprises under my control. (6) If I fail to fulfill the commitments made in this letter of commitment and cause losses to Chifeng Gold, I will compensate the actual loss of Chifeng Gold.</p> | April 1, 2019, long – term effective | No  | Yes                                      |

# REPORT OF THE DIRECTORS

| Background of commitment | Type of commitment                     | Committed by               | Content of commitment  | Date and deadline of commitment      | Whether there is a deadline for performance | Whether it is strictly performed in time |
|--------------------------|--|----------------------------|--|--------------------------------------|---|--|
|                          | Solution of horizontal competition     | Li Jinyang (Zhao Meiguang) | Commitments in the issue of shares to purchase assets in 2019: (1) After the completion of this transaction, I will refrain from directly or indirectly engaging in the same, similar or competitive business with the listed company in China. I do not provide proprietary technology or provide sales channels, customer information and other business secrets to other companies, enterprises or other institutions, organizations or individuals whose businesses are the same, similar or competitive with those of the listed company in any respect. I do not support, in any form, any person other than the listed company to engage in any business that competes or may compete with the current and future main business of the listed company. (2) If it is based on supporting and consolidating the development of the listed company's main business, and the enterprise controlled by me first acquires relevant assets and generates potential peer competition, I shall formulate practical measures to solve potential horizontal competition and avoid substantial horizontal competition with listed companies. (3) I confirm that this Letter of Commitment is made to protect the rights and interests of Chifeng Gold, and if I fail to fulfill the commitments made in this letter of commitment and cause losses to Chifeng Gold, I will compensate the actual loss of Chifeng Gold.  | April 1, 2019, long – term effective | No  | Yes                                      |
|                          | Solution of related party transactions | Li Jinyang (Zhao Meiguang) | Commitments in the issue of shares to purchase assets in 2019: (1) After the completion of this transaction, I and the companies, enterprises or economic organizations that I control or actually control will not have related party transactions with listed companies in principle. The transactions that can occur between the listed company and the independent third party through the market will be conducted by the listed company and the independent third party. (2) After the completion of this transaction, if the listed company must have inevitable related party transactions with me or my affiliated enterprises in its business activities, I will urge such transactions to perform relevant procedures in strict accordance with relevant national laws and regulations, the Articles of Association of the listed company and relevant provisions, and sign a written agreement with the listed company according to law. I guarantee that my business activities will be conducted on normal business conditions and that I and my affiliated enterprises will not ask for or accept more favorable conditions from listed companies than third parties in any fair transaction in the market. I promise not to damage the legitimate rights and interests of listed companies through related party transactions. I and my affiliated enterprises will strictly perform the various related party transaction agreements signed with the listed company, and will not seek any interests or income beyond the provisions of such agreements from the listed company. (3) After the completion of this transaction, I and my affiliated enterprises will strictly avoid borrowing from the listed company, occupying the funds of the listed company, or embezzling the funds of the listed company by means of advance payment and debt repayment by listed companies. (4) If the violation of the above commitments causes losses to the listed company, I will make compensation to the listed company. | April 1, 2019, long – term effective | No  | Yes                                      |
|                          | Others                                 | Li Jinyang (Zhao Meiguang) | Commitments in the issue of shares to purchase assets in 2019: Project initiation, environmental protection, industry access, land use, planning, construction and other matters related to the mining right of Hanfeng Mining have all met the legal requirements. If Hanfeng Mining is punished or losses are caused due to the non – compliance of the above-mentioned matters, I shall bear all liabilities for compensation.  | April 1, 2019, long – term effective | No  | Yes                                      |

# REPORT OF THE DIRECTORS

## CONNECTED TRANSACTIONS

### OVERVIEW

Our Group has entered into certain transactions with the connected persons of our Company. Details of such one-off connected transactions and continuing connected transaction of our Company are set out below.

### RELEVANT CONNECTED PERSON

Beijing Eagleleap is owned as to 99% equity interest by Hanfeng United, which in turn is wholly owned by Ms. Li, a member of our single largest shareholder group. Therefore, Beijing Eagleleap is a connected person of our Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

### ONE-OFF CONNECTED TRANSACTION

#### Property Lease Agreements

##### *Description of the Transaction*

##### Principal terms

Our Company entered into the 2022-2024 property lease agreement with Beijing Eagleleap on 1 January 2022, pursuant to which Beijing Eagleleap agreed to lease to us certain premises with a total gross floor area of approximately 2,226 square metres located at A7 Xiaojing, Wanfeng Road, Fengtai District, Beijing, the PRC (中國北京市豐台區萬豐路小井甲 7 號院) as the office premises of our headquarters in the PRC for a term of three years from 1 January 2022 to 31 December 2024. On 20 August 2024, our Company entered into the 2025-2026 property lease agreement with Beijing Eagleleap for the lease of the leased premises for a term of two years from 1 January 2025 to 31 December 2026. Under the 2025-2026 property lease agreement, our Company has the priority right to renew the lease upon notification of such request to Beijing Eagleleap 60 days prior to the expiry of the lease.

The property lease agreements were entered into (i) in the ordinary and usual course of business of our Group; (ii) on arm's length basis; and (iii) on normal commercial terms with the rent being determined with reference to, among others, the leased area, geographical location and condition of the leased premises and the prevailing market rates for similar properties in the surrounding area.

Under the 2025-2026 property lease agreement, the balance of the lease liabilities and the value of the right-of-use assets acquired by us from Beijing Eagleleap according to Accounting Standards for Business Enterprises No. 21 "Leases" as of 31 December 2025 amounted to RMB4,068,317.76 and RMB3,992,906.04, respectively.

# REPORT OF THE DIRECTORS

## *Reasons for and benefits of the transaction*

We have been using the leased premises during the Reporting Period. Any relocation of our headquarters may cause unnecessary disruption of our administration and incur additional costs. The continuation of such lease is cost efficient and is beneficial to our operations.

In light of the above, our Directors are of the view that the transactions under the property lease agreements are fair and reasonable and in the best interest of our Group and the Shareholders as a whole.

## *Hong Kong Listing Rules Implication*

In accordance with Accounting Standards for Business Enterprises No. 21 “Leases”, our Company recognized a right-of-use asset on its balance sheet in connection with the lease of the properties from Beijing Eagleleap. Therefore, the leases of the leased premises from Beijing Eagleleap under the property lease agreements are regarded as acquisitions of capital asset and one-off connected transactions of our Company for the purposes of the Hong Kong Listing Rules. Accordingly, the reporting, announcement, annual review and independent Shareholders’ approval requirements in Chapter 14A of the Hong Kong Listing Rules will not be applicable.

## **FULLY EXEMPT CONTINUING CONNECTED TRANSACTION**

We have entered into the following continuing connected transaction which will be exempt from the annual review, reporting, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules.

### **Property Management Services Agreement**

#### *Description of the Transaction*

##### Principal terms

Our Company entered into a property management services agreement with Beijing Eagleleap on 20 August 2024, pursuant to which Beijing Eagleleap agreed to provide property management services to our Company for our use of the leased premises and to address the daily needs of our employees at the headquarters. The scope of services provided by Beijing Eagleleap comprise the following:

- (i) Property-related services, including provision of utility (electricity), fire safety, cleaning and security services for the leased premises;
- (ii) Conference services, including maintaining the conference rooms, reception and catering services at the conferences of our Company;
- (iii) Car leasing, including provision of vehicles available for rental for business use by our employees; and
- (iv) Other supporting services, including provision of staff dormitory, maintaining the staff canteen and conference meals preparation.

The term of the property management services agreement is two years from 1 January 2024 to 31 December 2025.

# REPORT OF THE DIRECTORS

## Pricing policy

The pricing of the property management services under the property management services agreement shall be determined in accordance with the following principles:

- (i) the prescribed price imposed by the national or local price administrative departments of the PRC (and in relation to the utility (electricity), that is charged in accordance with the pricing standard for Beijing electricity sales issued by the Beijing Municipal Commission of Development and Reform (北京市發展和改革委員會) from time to time on its website); or in the absence of which,
- (ii) the market price upon negotiation between the parties. In determining the market price, both parties shall take into consideration, among others, the following key factors:
  - (a) the prevailing market price charged by any third party providing a similar service, after making reference to at least two quotations from independent third party service providers for similar services; and
  - (b) in case where the same or similar services have been provided by Beijing Eagleleap to a third party, the minimum quotation offered by Beijing Eagleleap.

## *Reasons for and benefits of the transaction*

Beijing Eagleleap has been providing property management services to us as ancillary services for the office use of the headquarters during the Reporting Period. Any change of the current arrangement may cause unnecessary disruption of our administration and incur additional costs. The continuation of such arrangement is cost efficient and is beneficial to our operations. See also the paragraph headed “One-off Connected Transaction – Property Lease Agreements – Reasons for and benefits of the transaction” in this section for details.

The Group incurred property management services of RMB1,318,535 for the year ended 31 December 2025 which did not exceed the cap of property management service agreement for the year ended 31 December 2025 of RMB3,000,000.

The transactions contemplated under the agreements between them constituted connected transactions as defined in Listing Rules.

## REPORT OF THE DIRECTORS

The continuing connected transaction above for the year ended 31 December 2025 have been reviewed by the independent non-executive Directors. The independent non-executive Directors have confirmed that the continuing connected transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- (c) in accordance with the respective agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

### *Hong Kong Listing Rules Implications*

As each of the applicable percentage ratios (other than the profits ratio) is expected to be, on an annual basis, less than 0.1%, the transaction under the property management services agreement between the Company and Beijing Eagleleap is exempt from the annual review, reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Company's independent non-executive Directors have reviewed the aforementioned continuing connected transactions and confirmed that these transactions have been entered into:

- (1) in the ordinary and usual course of business of the Company;
- (2) on normal commercial terms, or, in the absence of similar transactions to judge whether the terms are normal commercial terms, on terms no less favourable to those under the transactions between the Company and independent third parties; and
- (3) in accordance with the terms of the relevant agreements governing the transactions and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board confirmed that Ernst & Young Hua Ming LLP has issued the unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Hong Kong Listing Rules. That is, nothing has come to the auditor's attention that causes it to believe that the continuing connected transactions: (1) have not been approved by the Board; (2) were not conducted in all material respects in accordance with the pricing policies of the Group where the transactions involve the provision of goods or services by the Group; (3) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and (4) have exceeded the caps.

The significant related party transactions described in Note XII to the financial statements constitute connected transactions/continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules, and are in compliance with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

# REPORT OF THE DIRECTORS

Save as disclosed in this report, during the Reporting Period, none of the connected transactions or continuing connected transactions of the Company shall be disclosed pursuant to the provisions in respect of connected transaction disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

## INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE

As at 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong)) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors, supervisors and chief executives of the Company are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange are as follows:

| Name         | Position  | Nature of interest | Description of Shares | Number of Shares | Approximate percentage of interest in the total issued share capital of our Company (i.e. A Shares and H Shares) as at 31 December 2025 |
|--------------|---|--------------------|-----------------------|------------------|---|
| Wang Jianhua | Chairman of the Board and executive Director                  | Beneficial owner   | A Shares (L)          | 74,200,071       | 3.9044%   |
| Gao Bo       | Vice Chairman, executive Director and Chief Executive Officer | Beneficial owner   | A Shares (L)          | 153,500          | 0.0081%   |
| Yang Yi-fang | Vice Chairman and executive Director                          | Beneficial owner   | A Shares (L)          | 113,000          | 0.0059%   |
| Lyu Xiaozhao | Vice Chairman and executive Director                          | Beneficial owner   | A Shares (L)          | 111,700          | 0.0059%   |
| Zhao Qiang   | Executive Director and Vice President                         | Beneficial owner   | A Shares (L)          | 204,000          | 0.0107%   |

(L) denotes long position

Save as disclosed above, during the Reporting Period, none of the Directors and the chief executive of the Company or their associates had any interests or short positions in the shares, underlying shares, or debentures of the Company or its associated corporations (as defined in the SFO) that were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. None of the Directors and the chief executive of the Company or their spouses or children under the age of 18 have any rights to subscribe for the shares, underlying shares or debentures of the Company, or have exercised any such rights.

# REPORT OF THE DIRECTORS

Save as disclosed in this report, no arrangement has been entered into between the Company or its holding company or its subsidiaries at any time during the Reporting Period, which will allow the Directors and the chief executive of the Company to be benefited by acquiring the shares, underlying shares or debentures of the Company or other body corporates.

## SHARE CAPITAL AND SHAREHOLDERS

As at 31 December 2025, details of the Company's issued ordinary shares (with par value of RMB1.00 each) are set out in Note V. 35 to the financial statements.

## CHANGES IN SHARE CAPITAL

### I Statement of changes in shares

|  | Before this change |           | This change involves an increase or decrease (+/-) |              |                                     |        |             | After this change |           |
|--|--------------------|-----------|--|--------------|-------------------------------------|--------|-------------|-------------------|-----------|
|  | Number             | Ratio (%) | Issue of new shares                                | Bonus shares | Conversion of provident fund shares | Others | Subtotal    | Number            | Ratio (%) |
| I. Shares with restricted sale conditions                                | 0                  | 0         | 54,290,800   | 0            | 0                                   | 0      | 54,290,800  | 54,290,800        | 2.86      |
| 1. State ownership   |                    |           |  |              |                                     |        |             |                   |           |
| 2. State-owned legal person shareholding                                 |                    |           |  |              |                                     |        |             |                   |           |
| 3. Other domestic capital holdings                                       |                    |           |  |              |                                     |        |             |                   |           |
| Of which: Non-state-owned legal persons within the territory hold shares |                    |           |  |              |                                     |        |             |                   |           |
| Domestic natural person shareholding                                     |                    |           |  |              |                                     |        |             |                   |           |
| 4. Foreign shareholding  | 0                  | 0         | 54,290,800   | 0            | 0                                   | 0      | 54,290,800  | 54,290,800        | 2.86      |
| Of which: Shareholding by overseas legal persons                         | 0                  | 0         | 54,290,800   | 0            | 0                                   | 0      | 54,290,800  | 54,290,800        | 2.86      |
| Shareholding by overseas natural persons                                 |                    |           |  |              |                                     |        |             |                   |           |
| II. Unrestricted tradable shares   | 1,663,911,378      | 100       | 182,209,000  | 0            | 0                                   | 0      | 182,209,000 | 1,846,120,378     | 97.15     |
| 1. RMB ordinary shares   | 1,663,911,378      | 100       | 0  | 0            | 0                                   | 0      | 0           | 1,663,911,378     | 87.56     |
| 2. Foreign capital shares listed domestically                            |                    |           |  |              |                                     |        |             |                   |           |
| 3. Foreign capital shares listed overseas                                | 0                  | 0         | 182,209,000  | 0            | 0                                   | 0      | 182,209,000 | 182,209,000       | 9.59      |
| 4. Others  |                    |           |  |              |                                     |        |             |                   |           |
| III. Total number of Shares  | 1,663,911,378      | 100       | 236,499,800  | 0            | 0                                   | 0      | 236,499,800 | 1,900,411,178     | 100       |

# REPORT OF THE DIRECTORS

Upon approval by the Listing Committee of the Hong Kong Stock Exchange, the 205,652,000 H Shares issued by the Company (before the exercise of the over-allotment options) were listed and traded on the Main Board of the Hong Kong Stock Exchange on 10 March 2025. The over-allotment option described in the Prospectus has been fully exercised by the Overall Coordinators (for themselves and on behalf of the International Underwriters) on 4 April 2025 in respect of an aggregate of 30,847,800 H Shares. The total share capital of the Company increased from 1,663,911,378 A Shares to 1,900,411,178 Shares (comprising 1,663,911,378 A Shares and 236,499,800 H Shares).

For details, please refer to the announcement published by the Company on 6 April 2025.

## II. Shareholdings of top ten shareholders

As at 31 December 2025, the Company has a total of 87,066 Shareholders. Based on the percentage of shareholding in the share capital of the Company, the shareholdings of the Company's top ten Shareholders are as follows:

| Name of Shareholders<br>(Full name)  | Shareholdings of top ten shareholders (excluding shares lent through refinancing) |  |              |  |  |                     |                           |                    |
|--|---|--|--------------|--|--|---------------------|---------------------------|--------------------|
|  | Increase/<br>decrease<br>during the<br>Reporting<br>Period                        | Number of<br>shares held<br>at the end<br>of the<br>period | Ratio<br>(%) | Number of<br>shares held<br>with sales<br>restrictions | Pledged, marked or frozen<br>Status of<br>Shares | Number of<br>Shares | Nature of<br>Shareholders | Class of<br>Shares |
| Hong Kong Securities Clearing Company (Nominees) Limited<br>(Note)   | 236,495,489   | 236,495,489  | 12.44        | 0  | Nil  | 0                   | Overseas legal person     | H Share            |
| Li Jinyang   | 0   | 190,410,595  | 10.02        | 0  | Pledged  | 52,900,000          | Domestic natural person   | A Share            |
| Hong Kong Securities Clearing Company Limited (Note)   | 24,779,310  | 91,899,741   | 4.84         | 0  | Nil  | 0                   | Overseas legal person     | A Share            |
| Wang Jianhua   | 0   | 74,200,071   | 3.90         | 0  | Nil  | 0                   | Domestic natural person   | A Share            |
| Yantai Zhejiang Hanfeng Management Consulting Center (Limited Partnership)   | 0   | 51,515,151   | 2.71         | 0  | Pledged  | 9,177,680           | Others                    | A Share            |
| Beijing Lexi Private Fund Management Co., Ltd. - Beijing Lexi Kaitai Private   | 4,000,000   | 34,000,000   | 1.79         | 0  | Nil  | 0                   | Others                    | A Share            |
| 118 Combination of National Social Security Fund   | -48,659,334   | 28,643,550   | 1.51         | 0  | Nil  | 0                   | Others                    | A Share            |
| China Agricultural Bank Co., Ltd. - Yongying CSI Shanghai-Shenzhen-Hong Kong Gold Industry Stock Trading Open-End Index Securities Investment Fund | 20,338,573  | 28,046,873   | 1.48         | 0  | Nil  | 0                   | Others                    | A Share            |
| Agricultural Bank of China Limited - CSI 500 Exchange traded Open-end Index Securities Investment Fund   | 1,035,574   | 24,312,413   | 1.28         | 0  | Nil  | 0                   | Others                    | A Share            |
| Taiping Life Insurance Co., Ltd. - Traditional - Ordinary Insurance Product - 022L - CT001 Shanghai  | 23,947,570  | 23,947,570   | 1.26         | 0  | Nil  | 0                   | Others                    | A Share            |

# REPORT OF THE DIRECTORS

*Note:*

Hong Kong Securities Clearing Company (Nominees) Limited and Hong Kong Securities Clearing Company Limited are the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers. Specifically, they are the nominee for the H-Share class of the Company held by overseas investors and the nominee of the A-Share class of the Company held by investors through the Shanghai Stock Connect, respectively.

### III. Substantial Shareholders

So far as our Directors are aware, as at 31 December 2025, the interests and short positions of shareholders (other than the Directors and chief executive of the Company) in the shares or underlying shares of the Company which will be required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

## INTERESTS AND SHORT POSITIONS IN THE SHARES OF OUR COMPANY

| Shareholders   | Nature of Interest                                | Description of Shares | Number of Shares | Approximate percentage of shareholding in the same class of shares | Approximate percentage of interest in the total issued share capital of our Company |
|--|---|-----------------------|------------------|--|---|
|  |   |                       |                  |  | (i.e. A Shares and H Shares) as at 31 December 2025                                 |
| Li Jinyang <sup>(1)</sup>                                  | Beneficial owner                                  | A Shares (L)          | 190,410,595      | 11.44%   | 10.02%  |
|  | Interest in controlled corporation <sup>(2)</sup> | A Shares (L)          | 51,515,151       | 3.10%  | 2.71%   |
| Gold Mountains (H.K.) International Mining Company Limited | Beneficial owner                                  | H Shares (L)          | 18,673,400       | 7.90%  | 0.98%   |
| Sparky International Company Limited                       | Beneficial owner                                  | H Shares (L)          | 17,117,400       | 7.24%  | 0.90%   |

(L) Denotes long position

*Notes:*

- (1) As at 31 December 2025, Ms. Li pledged 52,900,000 A Shares, representing approximately 2.78% of our Company's total issued share capital, to two PRC licensed financial institutions for her personal financing purpose.

# REPORT OF THE DIRECTORS

- (2) Ms. Li and Mr. Wu Zengxiang are the sole limited partner and general partner of Zhejiang Hanfeng accounting for approximately 99.00% and 1.00% of the committed capital contribution of Zhejiang Hanfeng, respectively. The role of Mr. Wu is to represent Zhejiang Hanfeng in external business and operational matters upon the authorization of Ms. Li in accordance with the limited partnership agreement of Zhejiang Hanfeng. Mr. Wu does not, and cannot exercise control over Zhejiang Hanfeng; and taking in account of the above, the majority interest held by Ms. Li enables her to exercise de facto control of Zhejiang Hanfeng. Therefore, Mr. Wu has no control over the voting rights in share capital of our Company held by Zhejiang Hanfeng, nor the control of Zhejiang Hanfeng in the exercise of such voting rights. Those are rested solely with Ms. Li. Please refer to the section headed “Relationship with our Single Largest Shareholder Group – Our Single Largest Shareholder Group” in the Prospectus for details. Accordingly, Ms. Li is deemed to be interested in the 51,515,151 A Shares held by Zhejiang Hanfeng. As at 31 December 2025, Zhejiang Hanfeng pledged 9,177,680 A Shares, accounting for approximately 0.48% of our Company’s total issued share capital, to a PRC licensed financial institution for Ms. Li’s personal financing purposes.

Save as disclosed herein, our Directors are not aware of any person who as at 31 December 2024, have an interest or short position in our Shares or underlying Shares of our Company which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

## STOCK OWNERSHIP PLAN

### 1. Employee Stock Ownership Plans

Our Company adopted the Phase I ESOP, the Phase II ESOP and the Phase III ESOP on 13 October 2020 (as revised on 26 May 2021, 30 September 2022 and 20 April 2023), 27 February 2023 (as revised on 20 March 2023) and 15 January 2025, respectively.

The purpose of the ESOPs is to provide an incentive for the eligible participants (namely, the Directors, Supervisors, senior management and key members of our Company and its subsidiaries) a means through which our Group may grant incentives to attract, motivate, retain and reward them. They aim to foster shared interests between our Shareholders and our management team, thereby furthering our Company’s focus on long-term development.

As of the date of this report, 15,182,600 A Shares under Phase III ESOP were being held under the ESOPs, whilst Phase I ESOP had disposed of all the A Shares held by it during the Reporting Period. The ESOPs are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules as they do not involve the grant of options by our Company to subscribe for new Shares or award of Shares upon Listing.

# REPORT OF THE DIRECTORS

The key terms and implementation of the ESOPs are as follows.

(a) *Plan limit*

The maximum number of participants under the Phase I ESOP, the Phase II ESOP and the Phase III ESOP shall not exceed 98, 120 and 210, respectively. Meanwhile, the maximum number of A Share to be held by the Phase I ESOP, the Phase II ESOP and the Phase III ESOP shall be 41,597,732 A Shares, 16,575,406 A Shares and 15,182,600 A Shares, accounting for approximately 2.1889%, 0.8722% and 0.7989 of our Company's issued Share capital, respectively.

The total number of Shares held by each of the ESOPs shall not exceed 10% of the issued share capital of our Company. The maximum number of Shares corresponding to the awards held an individual participant shall not exceed 1% of the issued share capital of our Company.

(b) *Contribution of funds to the ESOP*

The eligible participants shall use their salaries and personal funds to subscribe to the ESOP, and obtain the corresponding interest in the ESOP.

(c) *Source of Shares*

The A Shares obtained by the ESOP shall be the A Shares repurchased by the Company through centralized price bidding process.

The Phase I ESOP has entrusted an Independent Third Party professional institution with asset management qualifications to establish a directional plan available for subscription by the eligible participants. Within six months from the approval of the ESOP by the general meeting, the directional plan would obtain and hold the A Shares repurchased by our Company through a block trade process. Such funds would not be used to purchase the shares of other companies.

The Phase II ESOP and the Phase III ESOP are maintained by our Company. The management committee of Phase II ESOP shall the asset manager and exercise all shareholders' rights in relation to the A Shares held by the plan. It would set up a securities account designated for the plan of the Company whereby the A Shares repurchased by our Company are obtained by the plan by non-transactional transfer means and other means as permitted under applicable laws and regulations.

The purchase price of such A Shares by the ESOP shall be the average price paid by our Company for the repurchase of such Shares.

As of 30 April 2021, 28 April 2023 and 27 June 2024, our Company repurchased a total of 41,597,732 A Shares, 16,575,406 A Shares and 15,182,600 A Shares for the purpose of the Phase I ESOP, the Phase II ESOP and the Phase III ESOP, respectively.

# REPORT OF THE DIRECTORS

Upon the expiry of the lock-up period, all of A Shares had been disposed of by the Phase I ESOP and the Phase II ESOP and as of the date of this report, the Phase III ESOP held the 15,182,600 A Shares.

(d) *Term*

The term of the Phase I ESOP shall be 36 months and the term of each of the Phase II ESOP and the Phase III ESOP shall be 24 months, commencing from the date when the respective ESOP is approved by the general meeting and the Company announcing the transfer of the last batch of the subject Shares to the ESOP, respectively.

Upon expiry of the lock-up period, the ESOPs can be terminated early if all the Shares held by the ESOPs are disposed of, and all assets (if any) held by the ESOPs are in the form of cash and have been liquidated or distributed.

Given that the expiration of the lock-up period, all of A Shares had been disposed of by the Phase I ESOP and the Phase II ESOP, the Phase I ESOP and the Phase II ESOP have been prematurely terminated. And the Phase III ESOP will expire on 24 February 2027.

(e) *Lock-up period*

The lock-up period for each of the ESOPs is 12 months from the date when the ESOP (as revised) is approved by the general meeting and our Company announces the transfer of the last batch of subject Shares to the ESOP.

Upon expiry of the lock-up period and prior to the expiration of the term of the ESOP, the management committee of the ESOP (see below) may, upon authorization from the resolutions of the participants, sell or transfer the Shares held by the ESOP as it deems appropriate.

(f) *Performance target*

The entitlement to the corresponding benefits from the ESOP by the participants shall be subject to the following performance targets:

- For the Phase I ESOP, if our Company's cumulative gold production from 2022 to 2024 is not less than 43 tonnes, the plan could distribute an amount equivalent to the entire accumulated equity interest in the subject Shares after repaying the financing principal and interest of the directional plan.

## REPORT OF THE DIRECTORS

- For the Phase II ESOP, if our Company realizes an increase in net profit attributable to Shareholders of the listed company by 30% or above in 2023 when compared to that of the previous year, the plan could distribute an amount equivalent to the entire accumulated equity interest in the subject Shares.
- For the Phase III ESOP, if our Company's gold production for 2025 realizes a growth of 5% or above from that for 2024, the plan could distribute an amount equivalent to the entire accumulated equity interest in the subject Shares.

(g) *Management committee*

Each of the ESOPs have established a management committee to oversee the daily management of the ESOP. The committee consists of three members who are elected through resolutions of the participants. Resolutions may only be passed by the management committee when majority members voting in favour of such resolution, and each management committee member shall have one vote.

The management committee is responsible for the daily management of the ESOP, including: (i) supervising the daily management of the ESOP on behalf of all its participants, (ii) exercising the shareholder rights in respect of the Shares held by the plan; (iii) managing the distribution of benefits from the ESOP; and (iv) making decision as to the disposal of the Shares held by the ESOP upon expiry of the lock-up period in accordance with the terms of the ESOP, any and all rights pertaining to the A Shares held by the ESOP, including the voting rights, the dividend rights and the rights to dispose of such Shares, rest solely in the management committee instead of the individual participants.

Save for (i) Mr. Zhao Qiang who is a director of the Company, Chijin Xiawu Chixia Laos, Chixia Mining and Chijin Fengyu and serves as a management committee member of the Phase I ESOP; (ii) Mr. Zhou Xinbing who is a director of Chijin HK and LXML and serves as a management committee member of the Phase I ESOP; and (iii) Mr. Dong Shubao who is Board Secretary of the Company and a director of Chijin Xiawu and serves as a management committee member of the Phase I ESOP, none of the management committee members of the ESOPs is a core connected person of our Company.

# REPORT OF THE DIRECTORS

## (h) *Distribution*

During the term of the ESOP, unless otherwise stipulated by laws, administrative regulations, departmental rules, or with the consent of the management committee, the corresponding interest in the plan held by the participants shall not be transferred, used as collateral, or otherwise disposed of in a similar manner.

During the term of the ESOP, participants shall not request for distribution of the equity interest in the Shares held by the ESOP.

Upon expiry of the term of the ESOP, if the assets (if any) held by the ESOP still include the Shares, the management committee shall determine the disposal method of such Shares. The management committee may also, with the authorization from the resolution of the participants, liquidate the plan within 30 working days from such expiration date, after deducting relevant taxes and fees as required by the law. The distribution of the proceeds from the aforesaid disposal shall be based on the fulfillment of the performance target and the corresponding interest in the plan held by individual participants. Given that the distribution shall only be made after the term of the ESOP when the Shares held by the ESOP Platform had been disposed of, fulfillment of the performance target will not lead to a drop in the public float of the Company.

## 2. Information about equity-settled share-based payment

|   |                   |
|---|-------------------|
| Total amount of equity instruments granted by the Company during the year   | 15,182,600 shares |
| Total amount of equity instruments exercised by the Company during the year   | –                 |
| Total amount of equity instruments of the Company invalid during the year   | 15,182,600 shares |
| The range of exercise prices of outstanding stock options issued by the Company at the end of the year and the remaining contract term            | N/A               |
| The range of exercise prices of other outstanding equity instruments issued by the Company at the end of the year and the remaining contract term | N/A               |

# REPORT OF THE DIRECTORS

*Unit: Yuan Currency: RMB*

|   |  |
|---|--|
| Determination of fair value of equity instruments on the grant date                           | The Company determines the fair value of the employee stock ownership plan by subtracting the grant price from the market price on the grant date            |
| Basis for determining the number of exercisable equity instruments                            | The performance indicators of the Company shall be evaluated on the basis of the number held by incentive recipients that have reached the evaluation target |
| Reasons for the significant difference between the current estimate and the previous estimate | N/A  |
| Cumulative amount of equity-settled share-based payment included in capital reserve           | –  |
| Total expenses of equity-settled share-based payment recognised during the year               | –  |

### 3. Cash-settled share-based payments

In 2025, the Company had no cash-settled share-based payments.

Details of the incentive scheme are set out in Note XIII to the financial statements.

# REPORT OF THE DIRECTORS

## SHARE OPTION SCHEME

As at the date of this report, the Company has neither granted nor agreed to grant options to any of its Directors, chief executive, substantial shareholders or their respective associates or the employees of the Company or its subsidiaries.

## MAJOR SUPPLIERS AND CUSTOMERS

Details of our Company's five largest suppliers, five largest customers and the largest suppliers and the largest customers are set out in the section headed "Management Discussion and Analysis" of this report (such contents therein form a part of this "Report of the Directors"). All transactions between our Company and relevant customers and suppliers are on normal commercial terms.

As far as the Directors are aware, none of the Directors, or any Shareholders holding more than 5% of the Shares of the Company and its respective associates (as defined in the Listing Rules) had any interest in the above top five suppliers and customers during the Reporting Period.

## PRE-EMPTIVE RIGHTS

According to the Articles of Association and the laws of the PRC, there are no provisions for pre-emptive rights requiring the Company to offer new shares to its existing Shareholders in proportion to their shareholdings.

## BUSINESS REVIEW

A fair review of the business of the Group as well as a discussion and analysis of the Group's performance during the Reporting Period, including a discussion of the principal risks and uncertainties faced by the Group and an indication of likely future developments in the Group's business, can be found in the sections headed "Chairman's Statement", "Financial Highlight", "Resources and Reserves", "Management Discussion and Analysis" in this report (such contents therein form a part of this "Report of the Directors").

For discussion on the Group's compliance with relevant laws and regulations that have a significant impact on the Group and the Group's environmental policies and performance, please refer to the sections headed "Management Discussion and Analysis" and "Environmental and Social Responsibility" in this report.

## KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Details of the staff of the Group and the related remuneration policy and training programs are set out in this "Report of the Directors" under the subheading "Employees of the Parent Company and Major Subsidiaries at the end of the Reporting Period".

The Group maintains a good relationship with its customers. Our Group operates in accordance with laws and regulations, abides by contracts, follows international rules, rejects commercial frauds, and strives to provide customers with high-quality, safe and responsible products and services.

# REPORT OF THE DIRECTORS

The Group maintains a good relationship with its suppliers. The Group continuously improves its procurement process mechanism, strengthens its management over suppliers, and consistently adheres to the business principles of integrity and trustworthiness. It enhances communication with suppliers through various means, striving to achieve win-win cooperation and mutual development.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The 2025 environmental, social and governance report of the Company is published on the same date as this annual report. Such contents form a part of this “Report of the Directors”.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company did not repurchase its A Shares on the Shanghai Stock Exchange. At the beginning of the Reporting Period, the Company had repurchased an aggregate of 15,182,600 A Shares, all of which were deposited in the Company’s repurchased securities account and yet to be cancelled for the use of the Company’s A Share incentive plan (i.e. the Phase III Employee Stock Ownership Plan, please refer to the section “C. Further Information about our Directors, Supervisors and Substantial Shareholders — 4. Employee Stock Ownership Plans” in Appendix VII to the Prospectus for details). Such repurchase of A Shares was conducted in accordance with the resolution considered and passed at the eighteenth meeting of the eighth session of the Board of the Company held on 27 June 2023, which approved the “Proposal on the Repurchase of Shares (Phase III) through Centralised Price Bidding” to approve that the Company repurchased certain listed ordinary shares (A Shares) in issue of the Company using its own funds through centralised price bidding for the purpose of employee stock ownership plan or equity incentive plan.

On 24 February 2025, the Company received the Confirmation Letter on Securities Transfer and Registration (證券過戶登記確認書) issued by the China Securities Depository and Clearing Corporation Limited. There were 15,182,600 A Shares transferred from the Company’s repurchase securities account to the employee stock ownership plan securities account by way of non-trade transfer on 21 February 2025, at a transfer price of RMB14.50 per Share being in aggregate RMB220,147,700. As such, the share transfer has been completed for the Phase III Employee Stock Ownership Plan of the Company.

As of 1 April 2025, all the Company’s shares held under the Phase I Employee Stock Ownership Plan have been sold out through centralized competitive bidding.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities (including the sale of treasury shares) for the year ended 31 December 2025.

Save as disclosed above, the Company did not hold any other treasury shares as at 31 December 2025.

# REPORT OF THE DIRECTORS

## SERVICE CONTRACTS OF DIRECTORS

The current Directors have entered into service contracts with the Company, for a period from the date of their appointment until the expiry of the term of the ninth session of the Board. According to the Articles of Association, the Directors shall hold office for a term of three years and are eligible for re-election. The remuneration of the Directors of the Company is subject to revision by the general meeting. Save as disclosed above, no Director has entered into any service contract with the Company that cannot be terminated without compensation (excluding statutory compensation) within one year.

## DIRECTORS AND THEIR TERMS

During the Reporting Period and up to the date of publication of this annual report, the Directors and their terms are as follows:

| Name                  | Position                          | Gender | Age | Start date of term of office | Expiration date of term of office |
|-----------------------|-----------------------------------|--------|-----|------------------------------|-----------------------------------|
| Wang Jianhua          | Director                          | Male   | 70  | 2018-09-17                   |                                   |
|                       | Chairman                          |        |     | 2019-12-21                   |                                   |
| Gao Bo                | Director                          | Male   | 57  | 2012-12-14                   |                                   |
|                       | Vice President                    |        |     | 2023-01-18                   | 2025-10-31                        |
|                       | Vice Chairman                     |        |     | 2025-10-31                   |                                   |
| Yang Yi-fang          | CEO                               | Female | 49  | 2025-10-31                   |                                   |
|                       | Director                          |        |     | 2022-07-26                   |                                   |
|                       | CEO                               |        |     | 2022-12-30                   | 2025-10-31                        |
| Lyu Xiaozhao          | Vice Chairman                     | Male   | 62  | 2025-10-31                   |                                   |
|                       | Director                          |        |     | 2012-12-14                   |                                   |
|                       | Vice President and Chief Engineer |        |     | 2023-09-27                   | 2025-10-31                        |
| Zhao Qiang            | Vice Chairman                     | Male   | 49  | 2025-10-31                   |                                   |
|                       | Director                          |        |     | 2025-10-31                   |                                   |
| Zhang Xudong          | Vice President                    | Male   | 60  | 2025-10-31                   |                                   |
|                       | Director                          |        |     | 2022-01-04                   |                                   |
| Wong Yet Ping Ambrose | Independent Director              | Male   | 46  | 2024-08-23                   |                                   |
| Hu Nailian            | Independent Director              | Male   | 70  | 2022-01-04                   |                                   |
| Li Houmin             | Independent Director              | Male   | 63  | 2025-10-31                   |                                   |
| Jiang Qi              | Independent Director              | Male   | 52  | 2025-10-31                   |                                   |
| Mao Jingwen           | Independent Director              | Male   | 69  | 2022-01-04                   | 2025-10-31                        |
| Shen Zhengchang       | Independent Director              | Male   | 65  | 2022-01-04                   | 2025-10-31                        |

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

## BRIEF INFORMATION OF THE DIRECTORS AND SENIOR MANAGEMENT

Brief information of the Directors and senior management are set out in the section headed “Brief Biography of Directors and Senior Management” in this report.

## MANAGEMENT CONTRACT

Other than the service contracts with Directors, the Company did not enter into any contracts with any individual, company or corporate entity during the Reporting Period to undertake the management and administration of all or any major part of the Company’s business.

# REPORT OF THE DIRECTORS

## PERMITTED INDEMNITY PROVISION

The Company has purchased Director and Officer Liability Insurance for its Directors and senior management. Besides, at no time during the Reporting Period and up to the date of this report, there was or is any permitted indemnity provision being in force for the benefit of any Directors of the Company or its associated companies (whether made by the Company or otherwise).

## DIRECTORS' INTERESTS IN MAJOR TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Saved as the service contracts of the Directors as disclosed above, there were no transactions, arrangements or contracts of significance to which the Company or its controlling company or its subsidiaries were a party to and in which a Director of the Company or an entity connected with a Director had a material interest, either directly or indirectly, subsisting at the end of the reporting period or at any time during the Reporting Period.

## CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

Mr. Wong Hok Bun Mario has been the Company Secretary since 10 March 2025 when the Company's H Shares were listed.

The Company abolished the Supervisory Committee on 12 June 2025. The duties and powers of the Supervisory Committee were transferred to the Audit Committee. For details, please refer to the announcements of the Company dated 20 May 2025 and 12 June 2025 and the circular of the Company dated 21 May 2025.

Ms. Yang Yi-fang was appointed as a member of the Nomination Committee on 30 June 2025. For details, please refer to the announcement of the Company dated 30 June 2025.

On 31 October 2025, the Company held its extraordinary general meeting of 2025 and elected the members of the ninth session of the Board. The members of the Board are as follows: As at the date of the general meeting, Dr. Mao Jingwen and Dr. Shen Zhengchang, the independent non-executive Directors of the Eighth Session of the Board of the Company, retired due to the expiration of their terms of office, and the other seven Directors of the Eighth Session of the Board, together with Mr. Zhao Qiang, Dr. Li Houmin and Dr. Jiang Qi, were elected as the members of the ninth session of Board. Mr. Gao Bo, executive Director of the Company, has been appointed as Vice Chairman and Chief Executive Officer ("**CEO**") of the Company. Ms. Yang Yi-fang, executive Director of the Company, has been redesignated from CEO to Vice Chairman of the Company. Mr. Lyu Xiaozhao, executive Director of the Company, has been appointed as Vice Chairman of the Company. Mr. Zhao Qiang, has been appointed as executive Director and the Vice President of the Company. For details, please refer to the announcements of the Company dated 10 October 2025 and 31 October 2025 and the circular of the Company dated 14 October 2025.

# REPORT OF THE DIRECTORS

Prof. Hu Nailian resigned as a member of the Audit Committee on 31 October 2025. Dr. Jiang Qi was appointed as a member of the Audit Committee on 31 October 2025. Mr. Gao Bo and Dr. Li Houmin were appointed as members of the Nomination Committee on 31 October 2025. Dr. Shen Zhengchang and Mr. Lyu Xiaozhao resigned as members of the Nomination Committee on 31 October 2025. Dr. Mao Jingwen, Dr. Shen Zhengchang, and Ms. Yang Yi-fang resigned as members of the Remuneration and Appraisal Committee on 31 October 2025. Mr. Gao Bo, Mr. Lyu Xiaozhao, Dr. Li Houmin, and Dr. Jiang Qi were appointed as members of the Remuneration and Appraisal Committee on 31 October 2025. Mr. Gao Bo and Mr. Zhao Qiang were appointed as members of the Strategy and Sustainability Committee on 31 October 2025. Dr. Wong Yet Ping Ambrose resigned as a member of the Strategy and Sustainability Committee on 31 October 2025. For details, please see the announcement of the Company dated 31 October 2025.

On 2 February 2026, Mr. Zhang Tianhang was appointed as Vice President of the Company. On 28 February 2026, Mr. Feng Tao was appointed as Vice President and Chief Engineer of the Company. For details, please refer to the announcements of the Company dated 2 February 2026 and 1 March 2026.

Save as disclosed above, during the Reporting Period, there were no changes in the Directors, supervisors and senior management of the Company, and there have been no changes in the Directors, supervisors and senior management of the Company or any changes in the Directors' information to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules after the Reporting Period and as of the date of this report.

## CHANGES IN DIRECTORS' INFORMATION

Save as disclosed in this annual report, there are no changes in the Directors' information that need to be disclosed under Rule 13.51B(1) of the Listing Rules.

## COMPETING BUSINESS

As at the date of this report, none of the Directors of the Company holds any interest in business other than the businesses of the Group which directly or indirectly competes or is likely to compete with the business of the Group.

## REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Remuneration of the Directors is determined by the Remuneration and Appraisal Committee after considering factors such as the remuneration paid by comparable companies, the time commitment and duties of the Directors.

Details of remuneration of the Directors and the five highest paid individuals of the Company during the Reporting Period are set out in Note XVI.2 to the financial statements in this report.

## THE BOARD AND BOARD COMMITTEES

Details of the Board and Board committees are set out in the sub-section headed "Corporate Governance Report – Corporate Governance" in this report, and the contents therein form a part of this Report of the Board of Directors.

## CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed under the section headed "Connected Transactions" in the Report of the Directors, no contract of significance had been entered into between the Company or any of its subsidiaries and the controlling shareholders (or their subsidiaries, if any) for the year ended 31 December 2025.

# REPORT OF THE DIRECTORS

## MATERIAL LITIGATION AND ARBITRATION

So far as the Directors of the Company are aware, the Company was not engaged in any material litigation, arbitration or claim, and no litigation or claim of material importance was pending or threatened against the Company during the Year.

## FINANCIAL ASSISTANCE AND GUARANTEES PROVIDED TO AFFILIATED COMPANIES

There is no financial assistance provided to affiliated companies by the Company and guarantees given for facilities granted to its affiliated companies which together in aggregate exceeds 8% under the assets ratio defined under rule 14.07(1) of the Listing Rules.

## EQUITY-LINKED AGREEMENT

The Company has not entered into any equity-linked agreement during the Reporting Period.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a set of standards no less stringent than the Model Code as the model code for the trading of securities by the Directors of the Company. As the H Shares of the Company were listed on Hong Kong Stock Exchange on 10 March 2025, the Model Code is only applicable to the Company since the listing date of the H Shares. All Directors and relevant employees, having made specific enquiries, confirmed that they have been in compliance with the Model Code during the period from the listing date of the H Shares and up to the date of this annual report.

## BONDS

During the Reporting Period, the Company did not issue any bonds.

## AMENDMENTS TO THE ARTICLES OF ASSOCIATION

During the Reporting Period, the Proposals on the Amendment of the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd. (《修訂<赤峰吉隆黃金礦業股份有限公司章程的議案>》) were considered and approved at the 2024 AGM of the Company held on 12 June 2025 and the 2025 EGM of the Company held on 31 October 2025, respectively. For details, please refer to the announcements of the Company dated 20 May 2025, 12 June 2025, 10 October 2025 and 31 October 2025 and the circulars of the Company dated 21 May 2025 and 14 October 2025.

## RETAINED EARNINGS

Details of the retained earnings of the Company as at 31 December 2025 are set out in Note V. 41 to the financial statements.

## ASSETS PLEDGED OR CHARGED OF THE GROUP

Details of the pledged or charged assets of the Group as at 31 December 2025 are set out in Note V. 19 to the financial statements.

# REPORT OF THE DIRECTORS

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES**

Details of the Group's exposure to fluctuations in exchange rates are set out in Note X to the financial statements. During the Reporting Period, the Group used derivative financial instruments such as foreign currency forward contracts to mitigate foreign exchange risk.

Save as disclosed above, the Group does not have a formal currency hedging policy and has not entered into any major foreign currency contracts or derivatives to hedge against its currency risks.

## **USE OF FINANCIAL INSTRUMENTS FOR HEDGING PURPOSES**

Details of the Group's use of financial instruments for hedging purposes for the year ended 31 December 2025 are set out in Note X.4 to the financial statements.

## **FIXED ASSETS**

Details of movements of the fixed assets of the Group for the year ended 31 December 2025 are set out in Note V. 11 to the financial statements.

## **DISTRIBUTABLE RESERVES**

Pursuant to the relevant laws and regulations, the distributable reserves of the Company as at 31 December 2025 amounted to RMB6,975,619,979.24 (31 December 2024: RMB4,692,581,402.64).

## **BANK LOANS AND OTHER BORROWINGS**

Details of the bank loans, financial liabilities held for trading and other borrowings of the Group are set out in Notes V. 20, 21, 27 and 29 to the financial statements.

## **CONTINGENT LIABILITIES**

Details of contingent liabilities are set out in Note XIV. 2 to the financial statements.

## **DONATIONS**

During the Reporting Period, the Group made charitable and other donations amounting to approximately RMB9.0254 million.

## **TAXATION**

Details of the Group's taxation are set out in Notes IV. and V. 56 to the financial statements.

# REPORT OF THE DIRECTORS

## CAPITAL COMMITMENTS

Details of the capital commitments of the Group during the year are set out in Note XIV.1 to the financial statements in this report.

## PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at 8 April 2026, being the latest practicable date prior to the issuance of the Report for ascertaining certain information contained herein, the Company strictly complies with the requirements of Rule 19A.28B(2)(b) of the Hong Kong Listing Rules that, for a PRC issuer with other listed shares, this will normally mean that a portion of H shares listed on the Hong Kong Stock Exchange and held by the public must, at all times: represent at least 5% of the PRC issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares).

Immediately after the completion of the Global Offering (as defined in the Prospectus) before any exercise of the Over-allotment Option (as defined in the Prospectus) the number of H Shares held in public hands represents approximately 11.00% of the total issued share capital of the Company.

Immediately after the full exercise of the Over-allotment Option, the number of H Shares held in public hands represents approximately 12.44% of the total issued share capital of the Company, which strictly complies with the requirements of Rule 19A.28B(2)(b) of the Hong Kong Listing Rules.

## TAX RELIEF AND EXEMPTION INFORMATION FOR DIVIDENDS TO SHAREHOLDERS

### A Shareholders

Pursuant to the provisions of Notice on Issues Concerning Implementation of Differentiated Individual Income Tax Policy for Stock Dividends of Listed Companies (Cai Shui [2012] No. 85) (the "Notice") issued jointly by the Ministry of Finance, the State Taxation Administration and the CSRC, for shares of listed companies obtained by individuals from public offerings or the secondary market, where the holding period is less than one month (inclusive), the dividends shall be counted as taxable income in the full amount; where the holding period is more than one month and less than one year (inclusive), 50% of the dividends shall be counted as taxable income on a provisional basis; and where the holding period exceeds one year, 25% of the dividends shall be counted as taxable income on a provisional basis. The individual income tax rate of 20% shall be applicable for all incomes mentioned above. The individual income tax levied on stock dividends obtained by equity investment funds from listed companies is also calculated in accordance with the abovementioned provisions.

Pursuant to the provisions of article 26.2 of the Enterprise Income Tax Law of the PRC, dividends, bonuses and other equity investment proceeds distributed between qualified resident enterprises shall be tax-free.

# REPORT OF THE DIRECTORS

Pursuant to the provisions of article 83 of the Implementation Rules of Enterprise Income Tax Law of the PRC, dividends, bonuses and other equity investment income distributed between qualified resident enterprises as referred in article 26.2 of the Enterprise Income Tax Law of the PRC include those incomes obtained by resident enterprises from direct investment in other resident enterprises, excluding the income from holding the stocks of the resident enterprises that were obtained through public offering and had been traded on the stock market for less than 12 months on a continuing basis.

As per the Enterprise Income Tax Law of the PRC and the Implementation Rules of Enterprise Income Tax Law of the PRC, dividend income obtained by non-resident enterprises shall be levied at a preferential enterprise income tax rate of 10%.

## H Shareholders

Pursuant to the provisions of Notice of the State Taxation Administration on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Fa [2011] No. 348), the dividend received by overseas resident individual shareholders from the shares issued by overseas non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax according to the items of "interest, dividend and bonus income", which shall be withheld by the withholding agents according to relevant laws. The overseas resident individual shareholders who hold the shares issued by overseas non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between their country of domicile and China or the tax arrangements between the Chinese mainland and Hong Kong or Macau. The tax rate for dividends under the relevant tax agreements and tax arrangements is generally 10%, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividends, generally withhold individual income tax at the rate of 10%, and are not obligated to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for citizens from countries which have entered into tax agreements/arrangements stipulating a tax rate of lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the tax authorities, the excess tax amounts withheld will be refunded; (2) for citizens from countries which have entered into tax agreements/arrangements stipulating a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends, and are not obligated to file an application; (3) for citizens from countries without tax agreements or who are under other situations, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividends.

Pursuant to the Notice of the State Taxation Administration on Issues concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to H Shareholders who are overseas non-resident enterprises, shall withhold the enterprise income tax at a flat rate of 10%.

# REPORT OF THE DIRECTORS

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in accordance with the provisions of the Corporate Governance Code.

Details of the convening of meetings of the Audit Committee are set out in the sub-section headed “Corporate Governance Report – Specialized Committees under the Board of Directors” in this report, and the contents therein form a part of this “Report of the Directors”.

The Audit Committee has reviewed the Group’s annual results and financial report for the year ended 31 December 2025 and discussed internal control and financial reporting matters. The committee considers that the annual results and financial report comply with the applicable accounting standards and relevant laws and regulations and have made sufficient disclosure.

## **APPOINTMENT AND DISMISSAL OF AUDITOR**

The Company has not changed auditors in any of the past three years. Details of the auditor’s remuneration are set out in “Auditor and its Remuneration” of the section headed “Corporate Governance Report” of this annual report.

# REPORT OF THE DIRECTORS

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

Pursuant to the resolution passed at the Board meeting held on 20 March 2026, the 2025 Profit Distribution Plan of the Company is as follows: the Company proposes to distribute a cash dividend of RMB0.32 (tax inclusive) per Share to all Shareholders who are eligible for distribution on the record date determined by the profit distribution implementation announcement for 2025. The actual amount of cash dividend to be distributed will be determined according to the number of Shares on the record date. The above plan shall be subject to consideration and approval at the 2025 AGM.

Save as disclosed above, there is no important event affecting the Group which occurred after the end of the Reporting Period to the date of this annual report.

By order of the Board

**Wang Jianhua**

*Chairman and Executive Director*

Beijing, the PRC  
20 March 2026

# REPORT OF THE INDEPENDENT DIRECTORS

## 2025 WORK REPORT OF THE INDEPENDENT DIRECTORS OF CHIFENG JILONG GOLD MINING CO., LTD.

In 2025, the independent Directors of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as “**Chifeng Gold**” or the “**Company**”) diligently and faithfully performed their duties in strict accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “**Securities Law**”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Administrative Measures for Independent Directors of Listed Companies, as well as the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as the “**Articles of Association**”), the Working Systems for Independent Directors of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as the “**Working Systems for Independent Directors**”). In addition to the applicable laws, regulations, rules, and normative documents governing securities regulation in the jurisdictions where the Company’s shares are listed, including the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. They made independent judgments on relevant matters of the Company, expressed objective opinions, fulfilled the role of Independent Directors, and safeguarded the overall interests of the Company and the legitimate rights and interests of all Shareholders.

The report on the performance of duties by the independent Directors for 2025 is as follows:

### I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTORS

The Ninth session of the Board of the Company comprises 10 Directors, including 6 non-independent Directors and 4 independent Directors. The current independent Directors include Prof. Hu Nailian, Dr. Wong Yet Ping Ambrose, Dr. Li Houmin and Dr. Jiang Qi. Due to the expiration of the term of office, Dr. Mao Jingwen, Dr. Shen Zhengchang resigned from their positions as independent Directors of the Company during the Reporting Period. The biographies of the independent Directors of the Company are as follows:

Prof. Hu Nailian, born in April 1955, holds a graduate degree and is an expert in the National Science and Technology Expert Database, as well as a review expert for the Ministry of Education and Beijing Municipal Science and Technology Awards. He serves as the Deputy Director of the Professional Committee on Mining Informatization and Intelligence of the China Nonferrous Metals Society and is an editorial board member of the journal “Gold Science and Technology”. He is primarily engaged in teaching and researching within the realm of mining systems engineering, mine informatization and intelligence mines, and mining technology economics and others. From 1996 to 2020, he served as the director of the Research Institute of Beijing University of Science and Technology, the head of the Department of Resource Engineering, the deputy dean of the School of Civil and Resource Engineering, a second grade professor at the School of Civil and Resource Engineering, and a doctoral supervisor. He has been an independent Director of Chifeng Gold since January 2022.

## REPORT OF THE INDEPENDENT DIRECTORS

Dr. Wong Yet Ping Ambrose, born in April 1979, holds a Doctor of Business Administration from The Hong Kong Polytechnic University. He is a Fellow Member of the Hong Kong Institute of Certified Public Accountants (FCPA) and a member of CPA Australia. He possesses extensive professional knowledge and experience in finance, auditing, and risk management.

He previously served as Vice President of Risk Management in the Commercial Banking Division of The Hongkong and Shanghai Banking Corporation Limited; Associate Director of the Standard Setting Department of the Hong Kong Institute of Certified Public Accountants; Director of Quality and Risk Management at KPMG China; and Director at a financial regulatory authority in Hong Kong, where he was responsible for industry policy and regulatory matters. He is currently a Principal of Ng, Suen & Lau CPA Limited. Since August 2024, he has been serving as an Independent Director of the Company.

Dr. Li Houmin, born in May 1962, holds a Ph.D. in Science and possesses postgraduate qualifications. He has long been engaged in research on metallogenesis, mineralization regularities, and the assessment and prediction of mineral resources. He has served as chief scientist for key national research and development programs and major projects of the China Geological Survey, and has led multiple national initiatives, including those funded by the National Natural Science Foundation of China. He has published numerous scholarly articles in domestic and international academic journals and has been awarded two first prizes for scientific and technological progress at the provincial and ministerial level. His professional experience includes positions as a technical (西北有色地質研究所), Associate Professor at Xi'an Institute of Geology staff member at the Northwest Institute of Nonferrous Metal Geological Research\* (now Chang'an University), and Researcher at the Institute of Mineral Resources, Chinese Academy of Geological Sciences. From 2002 to 2004, he conducted postdoctoral research at the Postdoctoral Research Station of China University of Geosciences Beijing. Since October 2025, he has been an independent Director of Chifeng Gold.

Dr. Jiang Qi, born in January 1974, Dr. Jiang holds a Ph.D. in Laws. He is a licensed legal practitioner with formal professional qualifications. His primary practice areas encompass banking and finance, international trade, and dispute resolution. He previously served as party secretary, president, and senior partner of Beijing DHH Law Firm. Since 2021, he has been serving as chairman of the Board of Directors of Hylands Law Firm. Starting in 2025, he has concurrently assumed the roles of Director and Managing Partner at Hylands (Shanghai) Law Firm. From October 2025 to October 2025, he had been an independent Director of Chifeng Gold.

Dr. Mao Jingwen, born in December 1956, holds a doctoral degree from the Graduate School of Chinese Academy of Geological Sciences. He is an academician of the Chinese Academy of Engineering. He has been serving as a researcher at the Institute of Mineral Resources under the Chinese Academy of Geological Sciences, director in the key laboratory of metallogeny and mineral assessment of the Ministry of Land and Resources and director in the Commission on Mineral Deposits of the Geological Society of China. Dr. Mao has been engaged in the research on metallogenic processes, metallogenic regularities, mineral deposit models, and prospecting evaluation of metallic mineral deposits for a long time. As the chief scientist or project leader, he has undertaken major basic research projects under the National "973" Program, national scientific and technological mineral exploration projects, key fund projects from the National Natural Science Foundation of China, and geological survey projects from the China Geological Survey. From January 2022 to October 2025, he had been an independent Director of Chifeng Gold.

## REPORT OF THE INDEPENDENT DIRECTORS

Dr. Shen Zhengchang, born in June 1960, is an academicians of the Chinese Academy of Engineering, the chief scientist of China Minmetals Corporation, and a doctoral tutor. He is mainly engaged in technical research, design, and engineering of selection and metallurgical process technology. He previously served as a senior engineer, director of the flotation division, and deputy chief engineer of BGRIMM Technology Group Company Limited. From August 2019 to November 2020, he was the chief expert of BGRIMM Technology Group Company Limited; Since December 2020, he has been the chief scientist of BGRIMM Technology Group Company Limited; and since January 2022 independent Director of Chifeng Gold.

The ninth session of the Board of the Company has established four specialized committees, including the Strategy and Sustainability Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. Among them, the chairmen of the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee are all independent Directors, and independent Directors constitute the majority. The specific composition is as follows:

| <b>Name of Independent Directors</b> | <b>Strategy and Sustainability Committee</b> | <b>Audit Committee</b>                  | <b>Nomination Committee</b>               | <b>Remuneration and Appraisal Committee</b> |
|--------------------------------------|--|---|---|---|
| Hu Nailian                           | –  | Member (resigned on 31 October 2025)    | Member                                    | Chairman                                    |
| Wong Yet Ping<br>Ambrose             | Member (resigned on 31 October 2025)         | Chairman                                | Member                                    | –   |
| Li Houmin                            | –  | –                                       | Chairman (appointed from 31 October 2025) | Member (appointed from 31 October 2025)     |
| Jiang Qi                             | –  | Member (appointed from 31 October 2025) | –   | Member (appointed from 31 October 2025)     |
| Mao Jingwen                          | –  | –                                       | –   | Member (resigned on 31 October 2025)        |
| Shen Zhengchang                      | –  | –                                       | Member (resigned on 31 October 2025)      | Member (resigned on 31 October 2025)        |

During the Reporting Period, the Company further revised and improved the “Working Systems for Independent Directors” and the working rules for various committees in accordance with the “Management Measures for Independent Directors of Listed Companies”, clarifying the responsibilities and positioning of independent Directors, independence requirements, nomination entities, appointment requirements, performance requirements, self-inspection mechanisms, and resignation requirements, as well as establishing special meetings for independent Directors to comprehensively ensure and enhance the independence and effectiveness of independent Directors’ performance.

# REPORT OF THE INDEPENDENT DIRECTORS

During the Reporting Period, all independent Directors of the Company maintained an objective and independent judgment in the performance of their duties, holding no positions in the Company other than as members or chairmen of special committees of the Board. Neither they nor their immediate family members hold shares in the Company, and there are no relationships with the Company or its controlling shareholders. They have not been subject to any punishment by the CSRC or other relevant authorities, nor reprimanded by any stock exchanges, and there are no circumstances affecting the independence of the independent Directors, in compliance with the relevant independence requirements of the “Administrative Measures for Independent Directors of Listed Companies” and other laws and regulations.

## II. PERFORMANCE OF DUTIES OF INDEPENDENT DIRECTORS ANNUALLY

### (I) Attendance of Meetings

#### 1. Attendance at the Shareholders' General Meetings

During the Reporting Period, the Company held 3 general meetings, and all independent directors attended in person during their tenure.

#### 2. Attendance record of Directors at Board meetings

During the Reporting Period, the Company held 9 Board meetings. All independent Directors attended the meetings in person during their tenure, with no instances of proxy attendance or absence from the meetings.

During the Reporting Period, the independent Directors did not raise any objections to the resolutions of the Board of Directors for the year or any other matters not submitted to the Board. Based on a thorough understanding of the content of the resolutions, they voted in favor of all resolutions put forward by the Board.

#### 3. Attendance at the meetings of the special committees.

During the Reporting Period, the independent Directors of the Company attended the meetings of the Board of Directors and special committees during their term, and seriously considered the proposals discussed at the meetings.

### (II) On-site inspection

During the Reporting Period, the independent Directors of the Company communicated face-to-face with the management during the shareholders' meetings and board meetings to understand the situations. They focused on inquiring about the Company's production and operation status, financial management, and the construction and implementation of internal control systems, as well as the implementation of board resolutions. Additionally, they maintained close contact with internal Directors, senior management, the Board Secretary, and relevant staff through on-site work, telephone calls, emails, or video communication, paying constant attention to the impact of external environment and market changes on the Company, timely learning about the progress of major issues of the Company, and grasping the operational dynamics of the Company.

# REPORT OF THE INDEPENDENT DIRECTORS

## III) Compliance of Listed Companies

When independent Directors of the Company exercise their powers during their term, relevant personnel of the listed company shall actively cooperate, shall not refuse, obstruct or conceal, and shall not interfere with their independent exercise of powers. The listed company has provided the necessary working conditions for independent directors, ensuring that they enjoy the same right to information as other directors. For any matters that require decision by the Board of Directors, independent Directors are notified in advance within the legally prescribed time and provided with sufficient information.

## III. KEY ISSUES FOR INDEPENDENT DIRECTORS IN THE PERFORMANCE OF DUTIES FOR THE YEAR

### (I) Related Transaction Information

During the Reporting Period, the Company did not engage in any significant related transactions.

### (II) Equity Incentive and Employee Stock Ownership Plan

On 15 January 2025, the Company held its first extraordinary general meeting in 2025. The meeting approved the “Proposal on the Phase III Employee Stock Ownership Plan (Draft) of Chifeng Jilong Gold Mining Co., Ltd. and its Summary”, the “Proposal on the Administrative Measures for the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.”, and the “Proposal on Requesting the General Meeting to Authorize the Board to Handle Matters Related to the Company’s Phase III Employee Stock Ownership Plan”.

On 24 February 2025, the Company received the “Confirmation of Securities Transfer Registration” issued by China Securities Depository and Clearing Corporation Limited. The dedicated securities account of the Company’s Phase III Employee Stock Ownership Plan has acquired 15,182,600 shares of the Company’s repurchase dedicated securities account through non-trading transfer on 21 February 2025. It accounts for 0.9125% of the Company’s total A Share’s share capital, and the transfer price is RMB14.50 per Share. So far, the Company’s Phase III Employee Stock Ownership Plan has completed the stock transfer.

On 2 April 2025, the Company released the “Announcement on the Completion of the Sale of First Phase Employee Stock Ownership Plan Shares” (Announcement Number: 2025-028). As of 1 April 2025, all the Company’s Shares held by the Phase I Employee Stock Ownership Plan had been sold out through centralized competitive trading. The Phase I employee stock ownership plan management committee, in accordance with relevant laws and regulations and the authorization of the holders’ meeting, had completed the liquidation and distribution work. The Phase I employee stock ownership plan of the Company has been terminated.

The “Warning Announcement on the Expiration of the Lock-up Period of the Phase III Employee Stock Ownership Plan of Chifeng Gold” was published on 25 February 2026. The lock-up period of the Company’s Phase III Employee Stock Ownership Plan expired on 24 February 2026.

# REPORT OF THE INDEPENDENT DIRECTORS

During the Reporting Period, the independent Directors of the Company fulfilled their duties of prudent supervision and independent judgment regarding the implementation of the employee stock ownership plan of the Company during the Reporting Period. They focused on reviewing the compliance, fairness and scientific nature of the employee stock ownership plan. Firstly, they paid attention to whether the plan conformed to relevant laws, regulations and regulatory requirement. Secondly, they evaluated whether the setting of the participants, unlocking conditions and performance assessment indicators was clear and reasonable, and whether it could effectively bind the core team and the long-term interests of the Company, preventing the transfer of interest. Thirdly, they analyzed the impact of the implementation of this employee stock ownership plan on the interests of the Company's Shareholders, especially the interests of small and medium-sized Shareholders, to ensure the protection of the interests of the Company and all Shareholders. The independent Directors unanimously believed that the above matters did not cause any harm to the Company or the interests of minority Shareholders.

### (III) Nomination and remuneration of senior management

On 30 June 2025, the Company held the thirty-eighth meeting of the Eighth Board, and approved the "Proposal on Adjusting the Members of the Board's Nomination Committee". To enhance the implementation effect of the Company's corporate governance policies, Ms. Yang Yi-fang was appointed as a member of the Nomination Committee of the Company.

On 31 October 2025, the Company held the second extraordinary Shareholders' meeting of 2025, successfully completing the re-election of the Board. On the same day, the Company held the first meeting of the Ninth Board, electing the Chairman, Vice Chairmen, and the chairpersons and members of each specialized committee of the Board, and appointing the new senior management team.

The remuneration of the senior management of the Company for 2025 was in line with the current actual situation of the Company and strictly complied with the requirements of the relevant laws, regulations, and internal system.

### (IV) Appointment or Change of Accounting Firm

During the Reporting Period, the Company did not change its accounting firm. It has re-appointed Ernst & Young Hua Ming LLP as the auditing firm for the Company's 2025 financial report and internal control audit report.

On 24 December 2025, the Company disclosed the "Announcement on Changing the Signatory Accountant" (Announcement Number: 2025-056). Ernst & Young Hua Ming LLP has changed one of the signatory accountants providing auditing services for the Company: from the original Mr. Zhang Yu to Ms. Xu Fei.

# REPORT OF THE INDEPENDENT DIRECTORS

## (V) Cash Dividends and Other Returns to Shareholders

During the Reporting Period, in accordance with relevant laws and regulations and the provisions of the Company's Articles of Association, the Company implemented an equity distribution to all Shareholders eligible to participate based on the 2024 annual profit distribution plan. For every 10 Shares, a cash dividend of RMB1.6 (including tax) was distributed. In 2024, the Company did not issue any bonus shares and did not conduct capital reserve conversion into shares.

On 3 June 2025, the Company held a performance briefing to explain the formulation of the 2024 annual profit distribution plan and it had been approved by the 2024 AGM held by the Company on 12 June 2025. The cash dividend for 2024 was completed in July 2025.

## (VI) Performance of Undertakings by the Company and Shareholders

The Company has disclosed the commitments made by the Company and its shareholders that remain in effect until the end of the Reporting Period in its annual report and interim report.

Upon verification, there were no violations of commitments by the Company and its Shareholders during the Reporting Period.

## (VII) Implementation of Information Disclosure

In 2025, the Board of Directors was able to strictly abide by the relevant laws, regulations and other normative documents, including the Company Law, the Securities Law, the Administrative Measures for Information Disclosure of Listed Companies, and the securities regulatory rules of the stock listing locations of the Company (including the Shanghai Stock Exchange and the Hong Kong Stock Exchange Limited), as well as the Articles of Association. Information disclosure was conducted based on the principles of truthfulness, accuracy, timeliness, completeness, and fairness to ensure the correct fulfillment of information disclosure obligations and to protect the legitimate rights and interests of the Company and its Shareholders, creditors, and other stakeholders.

## (VIII) Implementation of Internal Control

The Company has basically established a complete internal control system, which was effectively implemented to ensure the healthy operation of all business activities and the enforcement of relevant state laws and regulations as well as the internal rules of the Company, thereby facilitating the truthfulness, accuracy, and completeness of the Company's financial reports and related accounting information, as well as the achievement of the Company's operational management objectives.

# REPORT OF THE INDEPENDENT DIRECTORS

## (IX) Operation of the Board and its special committees

### 1. *Operation of the Board of Directors*

As at the end of 2025, the Board of the Company consisted of 10 members, including six non-independent Directors, namely Mr. Wang Jianhua, Mr. Gao Bo, Ms. Yang Yi-fang, Mr. Lyu Xiaozhao, Mr. Zhao Qiang and Mr. Zhang Xudong, and four independent Directors, namely, Prof. Hu Nailian, Dr. Wong Yet Ping Ambrose, Dr. Li Houmin and Dr. Jiang Qi. During the Reporting Period, two independent Directors Dr. Mao Jingwen, Dr. Shen Zhengchang resigned, and Mr. Zhao Qiang, Dr. Li Houmin and Dr. Jiang Qi have taken office since October 2025.

During the Reporting Period, the Board of the Company convened 9 meetings, and all directors attended in person during their terms of office. The convening of the meetings was in compliance with the relevant provisions of the Company Law and the Articles of Association. In 2025, the Board of the Company was able to strictly comply with national laws, regulations, and the provisions of the Articles of Association, diligently and faithfully performing its various duties and better accomplishing all tasks.

### 2. *Operation of the specialized committees*

The Board of Directors of the Company has established four specialized committees: the Strategy and Sustainability Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. In 2025, the specialized committees of the Board actively carried out their work, and the independent Directors conscientiously fulfilled their duties, playing a positive role in the standardized operation of the Company and the scientific decision-making of the Board.

During the Reporting Period, the independent Directors of the Company actively participated in special meetings for them. In accordance with the requirements of the Administrative Measures for Independent Directors of Listed Companies, they focused on supervising related transactions that should be disclosed by the Company, paying particular attention to whether the related transactions conform to business practices, whether the pricing is fair, and whether the decision-making procedures comply with relevant laws and regulations, thereby genuinely safeguarding the interests of the listed company and minority Shareholders.

During the Reporting Period, the specialized committees of the Board of Directors held a total of 19 meetings, including 4 meetings of the Strategy and Sustainability Committee, 8 meetings of the Audit Committee, 4 meetings of the Nomination Committee, and 3 meetings of the Remuneration and Appraisal Committee. The independent Directors of the Company convened or attended relevant meetings in accordance with the procedural rules of the specialized committees of the Board of Directors and the relevant requirements of the "Management Measures for Independent Directors of Listed Companies," carefully discussed the meeting documents, and provided professional opinions and advice for the scientific decision-making of the Board.

# REPORT OF THE INDEPENDENT DIRECTORS

### 3. *Special Meeting of Independent Directors*

During the Reporting Period, the independent Directors of the Company convened 3 special meetings to express their independent opinions on various major matters of the Company, and provided suggestions and advice on the Company's business decisions and standardized operations, ensuring that the Board made scientific decisions and operated in a standardized manner.

## IV. OVERALL EVALUATION AND RECOMMENDATIONS

All independent Directors of the Company strictly complied with the relevant regulations such as the Company Law, the Guidelines for Corporate Governance of Listed Companies, the Administrative Measures for Independent Directors, the securities regulatory rules of the stock listing locations of the Company (including the Shanghai Stock Exchange and the Hong Kong Stock Exchange Limited), and the Articles of Association. They performed their duties with integrity, diligence, and responsibility based on the principles of objectivity, fairness, and independence, providing opinions and suggestions on the Company's operational decisions and standardized operations to ensure scientific decision-making and regulated operations by the Board. All independent Directors are able to maintain their learning of relevant laws and regulations, continuously enhance their awareness of protecting the interests of public shareholders, effectively supervise the actions of controlling shareholders, and safeguard the overall interests of the Company, especially the legitimate rights and interests of minority Shareholders.

In 2026, all independent Directors of the Company will continue to perform their duties as independent Directors in accordance with laws and regulations, maintain their roles in communication and supervision, and ensure the expression of objective and impartial independent opinions. They will continue to uphold the rights and interests of Shareholders, especially minority Shareholders. They will continue to strive to conduct in-depth investigations and research at the grassroots level of the Company, providing suggestions that align with the findings and the actual development of the Company. They will continue to leverage their professional capabilities, adhere to professional ethics, diligently fulfill their responsibilities as independent Directors, and contribute to the standardized, stable, and high-quality sustainable development of the Company.

Chifeng Jilong Gold Mining Co., Ltd.

Independent Directors:

Wong Yet Ping Ambrose

Hu Nailian

Li Houmin

Jiang Qi

20 March 2026

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

## I. THE ENVIRONMENTAL INFORMATION OF LISTED COMPANIES AND THE MAJOR SUBSIDIARIES THAT HAVE BEEN INCLUDED IN THE LIST OF ENTERPRISES SUBJECT TO MANDATORY ENVIRONMENTAL INFORMATION DISCLOSURE

The number of enterprises included in the list of enterprises  
legally disclosing environmental information (unit) 4

| No. | Enterprise's Name | Query Index for the Report on the Legal Disclosure of Environmental Information   |
|-----|-------------------|---|
| 1   | Jilong Mining     | The Environmental Information Disclosure Platform of the Inner Mongolia Autonomous Region<br><a href="http://111.56.142.62:40010/cas/login">http://111.56.142.62:40010/cas/login</a>                            |
| 2   | Huatai Mining     | The Environmental Information Disclosure Platform of the Inner Mongolia Autonomous Region<br><a href="http://111.56.142.62:40010/cas/login">http://111.56.142.62:40010/cas/login</a>                            |
| 3   | Wulong Mining     | Legal Disclosure System for Environmental Information of Enterprises in Liaoning<br><a href="https://sthj.deing.cn:8180/Page/report/595889556365317">https://sthj.deing.cn:8180/Page/report/595889556365317</a> |
| 4   | Hanfeng Mining    | Jilin Provincial Environmental Information Disclosure Platform<br><a href="http://36.135.7.198:9015/login">http://36.135.7.198:9015/login</a>   |

During the Reporting Period, the overall operation of the Company's environmental management was stable. Wulong Mining received a "Administrative Penalty Decision Letter" issued by the Dandong City Environmental Protection Bureau, being fined and ordered to undertake rectification of a failure to properly fulfill a legal responsibility in relation to solid waste disposal and certain environmental protection facilities not being inspected and put into operation in advance. The Company places great importance on this matter and has carried out comprehensive rectification work and complied with the letter during the Reporting Period. The Company will seek to continuously improve our environmental management work of our subsidiaries and carry out self-examination and self-correction activities to avoid the recurrence of similar problems.

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

## II. SOCIAL RESPONSIBILITY WORK

- (I) Whether the social responsibility report, sustainability report or ESG report are disclosed separately

For details, please refer to the 2025 Environmental, Social and Governance (ESG) Report published by the Company on the date as this annual report.

- (II) Specific details of social responsibility work

### External donations and public welfare projects

| Quantity/<br>content              | Explanation |  |
|-----------------------------------|-------------|--|
| Total investment (RMB'0,000)      | 902.54      | The Company continues to invest in philanthropy within the framework of the United Nations' Sustainable Development Goals of "no poverty", "clean water and sanitation" and "decent work and economic growth", guided by the principles of responsible gold mining, "community health and emergency response" and "cultural heritage". We have formulated and implemented internal charity plans, planning the charity budget and emergency reserve funds in advance each year. Following a fair review process, the funds are allocated to local communities to support various projects. The Company carries out work in multiple aspects such as education, environmental protection, and cultural heritage, support local development, actively participate in community co-creation and co-construction, and turn the beautiful vision of common progress into reality. |
| Number of beneficiaries (persons) | 2,573       |  |

#### Notes:

- To support sustainable education and foster the development of future talents, Wulong Mining has continued to donate welfare funds to Banshi village primary school yearly; Jilong Mining has donated to Ao Han Da Ai Wu Jiang Qing Chun Yuan Meng Education Foundation\* (敖漢旗大愛無疆青春圓夢教育基金會); GSWL supported local education through various means such as establishing development funds, providing teaching materials and subsidies in Ghana.
- To build infrastructure and promote community development jointly, Jilong Mining donated to the local Fumin village committee to assist in the establishment of the committee, providing free vehicle transportation services for the surrounding villagers; helped the surrounding communities repair roads damaged by floods; Jintai Mining donated to the post-earthquake reconstruction work in Niujie township of Ert yuan county; Huatai Mining donated to the flood control renovation in Yushulinzi village and Aobo village; LXML annually provides medical services for local women and children through the community development trust fund.
- To promote local development and create a superior working environment for employees, LXML fulfilled the obligations stipulated in the long-term work memorandum signed with the government, and donated an open-air display pavilion for ancient stone tools to the local area; Jilong Mining not only provided employment opportunities for local residents but also offered job opportunities to veterans and individuals with disabilities; Hanfeng Mining regularly organizes voluntary tree-planting activities to improve the ecological environment of the mine area and plants trees to add greenery, while also having donated materials to local primary and secondary schools, nursing homes, hospitals, and professionals working in frontier or underserved areas.

# CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2025.

## CORPORATE GOVERNANCE

The Group is committed to maintaining high level of corporate governance. The Board is responsible for the implementation of corporate governance, including: (a) formulating, developing and reviewing the corporate governance policies and practices of the Company; (b) reviewing and supervising the training and continuous professional development of the Directors and senior management; (c) reviewing and supervising the policies and practices for the compliance of laws and regulatory requirements by the Company; (d) developing, reviewing and supervising the code of conduct and compliance manual, if any, for employees and the Directors; and (e) reviewing the compliance of the Corporate Governance Code by the Company and the disclosure in the corporate governance report. In the past year, actions and measures were taken by the Board to improve the corporate governance gradually and further strengthen the development of the Company's corporate governance system. The Board believes that an effective corporate governance system can safeguard the best interests of the Shareholders and promote the value and accountability of the Company.

The Company has adopted all applicable code provisions of the Corporate Governance Code. Pursuant to code provision B.2.2 of the Corporate Governance Code, every Director, including those appointed for a specific term, is subject to retirement by rotation at least once every three years. The eighth session of the Board of the Company would ordinarily have expired on 4 January 2025. To ensure the continuity and stability of the Board's operations, and in light of the fact that the nomination process for the new session of the Board had not been finalized by 4 January 2025, the re-election of the Board and the formation of the specialized committees of the Board have been postponed to 31 October 2025. On this date, the re-election of the Ninth Session of the Board of the Company and the establishment of the specialized committees have been successfully completed.

Save for the above, the Board confirmed that during the year ended 31 December 2025, the Company has adopted and complied with the code provisions of the Corporate Governance Code and has followed most of its recommended best practices.

The Board will continue to review and improve its corporate governance system to ensure compliance with the Corporate Governance Code.

# CORPORATE GOVERNANCE REPORT

## Corporate Culture

We established our corporate culture of “Mutual Prosperity and Development” by unifying our shareholders, management and employees, where the interests of stakeholders and our Company are aligned such that our shareholders, managers and workers share the successes and face the challenges together, as they are all invested in the same collective goal. Led by Chairman Wang Jianhua, the teams across our Company are united by shared missions and vision, and our Company has developed a management model and a long-term incentive mechanism that cater to its conditions and has performed effectively in reducing costs and improving efficiency.

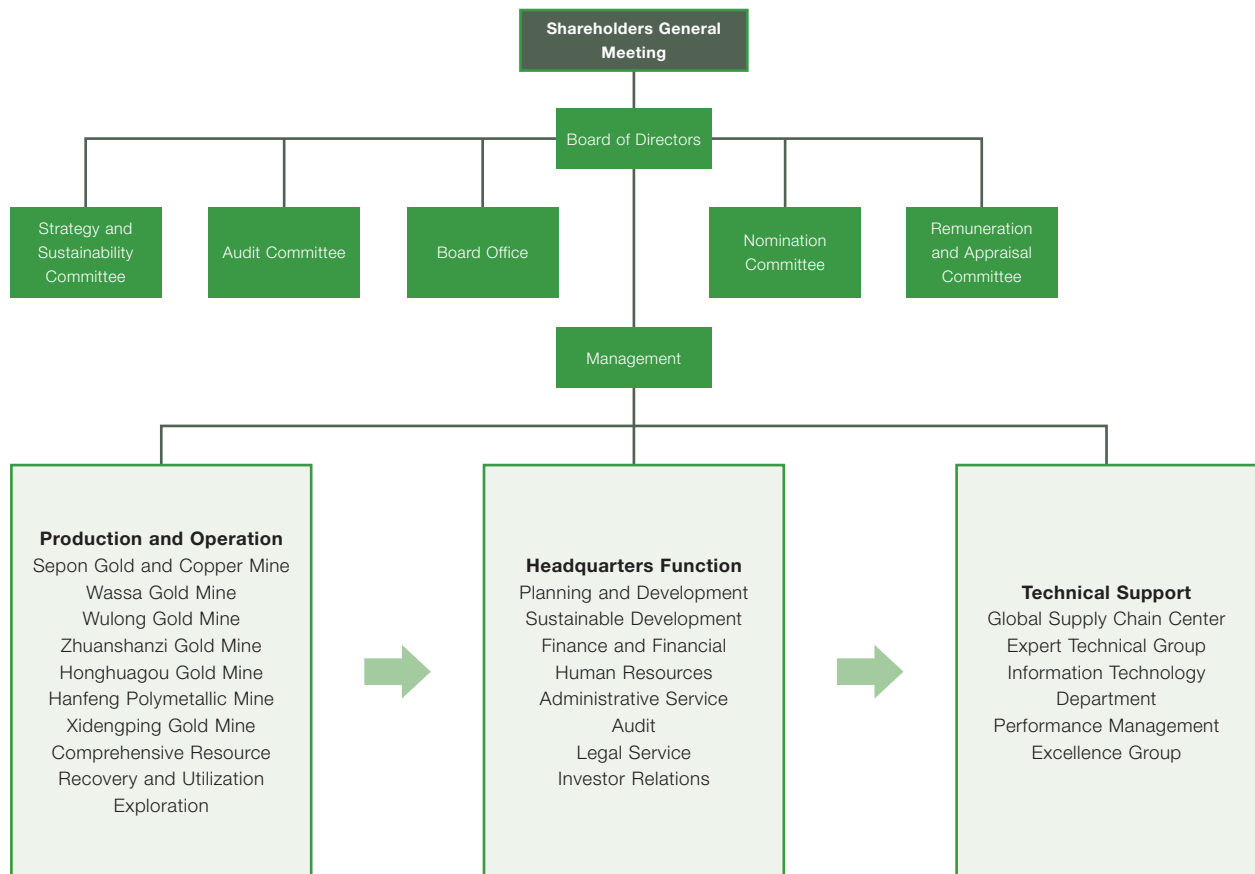
In September 2020, we launched the Phase I ESOP and as of 30 April 2021, approximately 41.6 million shares were repurchased for the purpose of equity incentives, involving no more than 98 core employees of both the headquarters and our subsidiaries. In January 2022, we announced the Phase II ESOP. As of 28 April 2023, approximately 16.6 million shares had been repurchased amounting to RMB300.0 million in value, where the repurchased shares would be used for the Phase II ESOP. In June 2023, we launched the Phase III ESOP and as of 27 June 2024, approximately 15.2 million shares were repurchased for purpose of equity incentives or employee stock ownership, amounting to RMB220.0 million in value. The equity incentives align the interests of the key employees with those of our Company, laying a sound foundation for high-quality and sustainable growth. Please refer to the section headed “Employee Stock Ownership Plans” in the annual report for further details of the ESOPs.

Our corporate culture of “Mutual Prosperity and Development” is strongly supported by our shareholders. Following the successful implementation of various rounds of share incentive arrangements for our key management throughout the years since 2020, the shareholding of the largest shareholder (and its associates) had dropped to 10.02% as of 31 December 2025 from 20.59% as of 31 December 2020. Meanwhile, the management team’s shareholding had increased. In January 2021 and February 2024, our management team increased its shareholding by further purchasing our Company’s shares on the secondary market. We believe the current shareholding and corporate governance structure reflect a management approach that prioritizes the interests of all Shareholders.

# CORPORATE GOVERNANCE REPORT

## I. RELEVANT EXPLANATION ON CORPORATE GOVERNANCE

During the Reporting Period, the Company has been listed in both Shanghai and Hong Kong, and complies with the laws and regulations of the its locations, including the Company Law of the People’s Republic of China, Securities Law of the People’s Republic of China, and the securities regulatory rules of the stock listing locations (including the Shanghai Stock Exchange and the Hong Kong Stock Exchange Limited), as well as other relevant provisions. The Company follows relevant international standards and industry best practices, deeply integrating the ESG sustainable development concept into its actual operations, and constructing a governance model that is both in line with international standards and has characteristics unique to Chifeng Gold. The highly coordinated and balanced mechanism is an indispensable core cornerstone in the Company’s corporate governance structure. The Shareholders’ meeting, the Board, and the management layer each responsible for their own duties, achieving positive synergy in terms of direction, decision-making, supervision, and implementation. Among them, the Shareholders’ meeting and the Board are responsible for strategic decisions, the management layer is responsible for specific execution, independent Directors are responsible for comprehensive supervision, and the Board, independent Directors, and the management layer form a good mechanism of decision-making and supervision.



# CORPORATE GOVERNANCE REPORT

## (I) General meeting

The general meeting is the highest authority of the Company. The Company convenes the general meetings strictly in compliance with the stipulations and requirements of the Articles of Association and the Rules of Procedures for General Meeting. All of the Shareholders of the Company, especially the minority Shareholders, can enjoy equal rights and fully exercise their voting rights.

To protect the interests and rights of the Shareholders, the Company has proposed separate resolutions on various material matters for consideration at the general meetings under the relevant laws and regulations and the relevant provisions of the Listing Rules of the Hong Kong Stock Exchange and the Shanghai Stock Exchange. Details of the rights of the Shareholders and the relevant voting procedures at the general meetings will be set out in the relevant materials for the meetings of the general meetings and the circular to Shareholders in accordance with the Articles of Association and the aforesaid Listing Rules, which will also be despatched to the H Shareholders before the relevant deadline and posted on the HKExnews website of the Hong Kong Stock Exchange and the Company's website.

During the Reporting Period, the Company held one annual general meeting and two extraordinary general meetings. For details of the proposals and resolutions discussed at the meetings, please refer to the relevant announcement published by the Company on the HKExnews website of the Hong Kong Stock Exchange.

## (II) Board of directors

### *Duties and Responsibilities*

The Board of Directors is the Company's business decision-making body, and it is responsible to the general meeting. The main duties of the Board are to implement the resolutions passed at the general meetings; make decisions on the operation and investment plans of the Company; formulate the profit distribution plan and recoup loss plan of the Company; decide on the establishment of the internal management structure of the Company and formulating the basic management system of the Company. As of 31 December 2025, the Board of Directors consists of 10 Directors, including 6 non-independent Directors and 4 independent non-executive Directors. The professional structure of the Directors was reasonable, and they had the knowledge, skills and quality needed to perform their duties. The Board of Directors operates in strict accordance with the Articles of Association and the Rules of Procedure for the Board of Directors of the Company, manages in a standardized and efficient manner, and makes scientific and professional decisions on the Company's development strategy, standardized operation, operation management, internal risk control and other major matters. According to the Articles of Association, the term of office of Directors (including non-executive directors) is three years, commencing from the date of approval of the resolution by the general meeting until the expiration of the term of office of the current Board of Directors. Upon the expiration of a Director's tenure, he or she is subject to re-election. However, according to the relevant regulations of the Shanghai Stock Exchange, the term of office of an independent non-executive Director shall not exceed six years. Each of the current Directors has entered into a service contract with the Company for a term of three years, commencing from the date of approval by shareholders for the appointment, and subject to termination in accordance with the terms of the respective contracts. As of the date of this report, all Directors of the eighth session of the Board of the Company have signed service contracts with the Company. None of the Directors has entered or proposed to enter into a service contract with any member of the Group, excluding those contracts expiring within one year or determinable by the relevant employers within one year without payment of compensation (other than statutory compensation). The Board and senior management recognise their responsibilities to represent the interests of all Shareholders and to maximize shareholder value. Active engagement with our Shareholders and accountability to our Shareholders are of high priority to the Company. The general meeting is the highest authority of the Company, and the Board is accountable to the general meeting.

# CORPORATE GOVERNANCE REPORT

In respect of the supervision of the specific aspects of the Company's affairs, the Board of the Company has established four professional committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy and Sustainability Committee, along with the board office, to create a clear and orderly, professional and efficient corporate governance framework. The Company clarifies the management policies and decision-making procedures of each governance body, continuously promoting the standardized and efficient operation of the governance system. The Board has delegated various responsibilities to each Board committee, which are set out in their respective terms of reference. In addition, the Company's management provides adequate advice to the Board and Board Committees in a timely manner to enable Directors to make informed decisions. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice and other assistance in appropriate circumstances, at the Company's expenses.

## *Chairman and Chief Executive Officer*

The Board is responsible for making decisions on specific issues. The Company has the position of Chief Executive Officer. During the year, Mr. Wang Jianhua and Mr. Gao Bo served as the Chairman of the Board and the Chief Executive Officer of the Company, respectively, with a clear division of responsibilities. The Chairman is in charge of the affairs of the Board and reviews the implementation of the Board's resolutions whereas the Chief Executive Officer, under the leadership of the Board, is mainly responsible for the Company's management operations and business coordination, the Company has therefore complied with Code Provision C.2.1 of the Corporate Governance Code. Apart from the information disclosed in the section headed "Brief Biography of Directors and Senior Management" of this annual report, there is no financial, business, family and other material/relevant relationship among the respective Directors, the Chairman, the Chief Executive Officer and other senior management.

In addition, the Chairman of the Board of the Company maintains good communication with each of the independent non-executive Directors and at least once annually holds meetings with the independent non-executive Directors without the presence of other Directors.

## *Independent Non-Executive Director*

Since the listing date of the H Shares, the Company has complied with Rules 3.10(1), 3.10(2), and 3.10A of the Hong Kong Listing Rules regarding the appointment of a sufficient number of independent non-executive Directors, and at least one independent non-executive Director must possess appropriate professional qualifications or accounting or related financial management expertise. The appointed independent non-executive Directors must constitute at least one-third of the Board members. The Company has appointed four independent non-executive Directors, with the number of independent non-executive Directors accounting for at least one-third of the Board members, and one of the independent non-executive Directors possesses accounting or related financial management expertise. Brief biographies of the independent non-executive Directors will be set out in the section headed "Brief Biography of Directors and Senior Management" of this annual report.

# CORPORATE GOVERNANCE REPORT

## *Independent Input Mechanisms*

- |   |   |
|---|---|
| <p><b>Board and committees’ structure</b></p>   | <ul style="list-style-type: none"> <li>As of the end of the Reporting Period, the Board of the Company is composed of 10 members including 4 independent non-executive Directors. It complies with the requirements of the Hong Kong Listing Rules that independent non-executive directors should account for one-third of the number of directors and not less than three.</li> </ul>   |
| <p><b>Independent non-executive Directors’ tenure</b></p>                                       | <ul style="list-style-type: none"> <li>In accordance with the requirements of the Articles of Association, the term of office for independent non-executive Directors shall be three years, and eligible to offer himself for re-election, but shall not exceed six years.</li> </ul>   |
| <p><b>Independent non-executive Directors’ remuneration</b></p>                                 | <ul style="list-style-type: none"> <li>Independent non-executive Directors receive fixed fee(s) for their roles as members of the Board and Board Committee(s) as appropriate. The Company has not established an incentive scheme related to its Shares.</li> </ul>  |
| <p><b>Appointment of independent non-executive Directors</b></p>                                | <ul style="list-style-type: none"> <li>Independent search firm(s) can be engaged by the Nomination Committee to help identify potential candidates for appointment of independent non-executive Directors.</li> <li>In assessing suitability of the candidates, the Nomination Committee will review their profiles, including their qualification and time commitment, having regard to the Board’s composition, the Directors’ skills and experience, the list of selection criteria approved by the Board and the Board Diversity Policy.</li> </ul> |
| <p><b>Annual review of independent non-executive Directors’ commitment and independence</b></p> | <ul style="list-style-type: none"> <li>The Nomination Committee reviews annually each Director’s time commitment to Company’s business. Directors’ attendance records during the Reporting Period are disclosed in the section head “V. Performance of Duties by Directors - (I) The Attendance of Directors in Board Meetings and General Meetings” contained in this Corporate Governance Report.</li> <li>Independent non-executive Directors’ independence is assessed upon appointment, annually, and as the circumstances require.</li> </ul>     |

# CORPORATE GOVERNANCE REPORT

- Management of the conflict of interests**

  - The internal system of the Company contains provisions for the avoidance of conflicts of interest and provides guidance on the actions to be taken by Directors in relation to conflicts of interest.
  
- Professional advice**

  - Directors may consult the Company Secretary of the Company or the Office of the Board on matters relating to the performance of their duties, as well as external professional advisers and legal advisers at the Company's expense.
  
- Evaluation of the performance of the Board**

  - The quality and efficiency of discussions at Board meetings are assessed during the annual evaluation of the Board's performance.
  - The Board is of the view that the implementation of the above mechanism can effectively ensure that the Board receives independent views and opinions.

## *Board Diversity*

The Company attaches great importance to the diversity of the Board of Directors and is committed to creating a highly inclusive and diverse board team. In the process of selecting directors, we are not limited to gender, race, nationality, language, cultural background, educational background, industry experience, and professional experience, ensuring that board members possess diverse perspectives and rich expertise.

In accordance with the requirements of the Hong Kong Listing Rules, the Board has adopted the Board Diversity Policy, which sets out the objectives of achieving board diversity and the means of maintaining board diversity with the aim of enhancing the effectiveness of the Board. Pursuant to the Board Diversity Policy, we will take into account, including but not limited to, factors such as gender, age, race, cultural background, educational background, industry experience, professional experience, etc. in achieving board diversity. The Company will consider its own business model and specific needs from time to time and make final decisions based on merits and contributions that the candidates will bring to the Board.

With reference to the policy above, the Nomination Committee of the Board of the Company has reviewed the composition of the Board in accordance with the Hong Kong Listing Rules in terms of the following factors:

- **Age:** At present, the members of the Board cover the age group from above 45 to 70. The diversity of age groups helps the members of the Board to bring a variety of thinking;

## CORPORATE GOVERNANCE REPORT

- **Educational backgrounds and professional knowledge:** The members of the Board, our Directors, possess knowledge and skills in various fields, including knowledge and experience in business management, mining and metallurgy, law, economics, investment and accounting. The independent non-executive Directors of the Company have extensive experience in the fields of mining and metallurgy and mineral resources engineering. A number of Directors have obtained master's and doctoral degrees and other professional accreditation qualifications, including certified public accountants of Hong Kong, certified public accountants of Australia, engineers and senior economists. It also reflects that the Group's mine management and related supporting material supply businesses involve different professional fields. The educational background of the members of the Board helps to guarantee the professionalism of the Group's business; and
- **Industry experience:** The members of the Board have relatively sufficient industry experience in their respective fields, including participating in different domestic and cross-border businesses in the operation management, investment management and other enterprises in the mining industry, which brings foresight to the Company's business development and international vision.

To sum up, the Directors are of the opinion that the composition of the Board of the Company is in compliance with the board diversity requirements of the Hong Kong Listing Rules in terms of gender, age, educational background, industry experience, region and duration of service. The Board possesses skills, experience and diversified backgrounds relevant to the Group's strategy, governance and business, and its members have different strengths and complement each other to contribute to the Board's operational effectiveness and efficiency. Information about the Board's current composition (including the skills and experience of directors) is set out in the section headed "Brief Biography of Directors and Senior Management" in this annual report.

As of the end of the Reporting Period, the Board of the Company has one female member, Ms. Yang Yi-fang. Ms. Yang is a member of the Nomination Committee and the Strategy and Sustainability Committee, in which her duties as one of the members of the Strategy and Sustainability Committee include conducting studies and making recommendations on the Company's sustainability capabilities. The Company will endeavour to identify suitable female candidates when identifying candidates for the next Board, with a view to further promoting the board diversity of the Company.

With reference to the above measurable objectives, the Board is satisfied with the successful implementation of the board diversity policy for the year ended 31 December 2025. The Board will continue to monitor the implementation of the Board diversity policy and review the policy as appropriate to ensure its effectiveness on an annual basis.

# CORPORATE GOVERNANCE REPORT

In terms of the employees of the Group, the Company believes that the principle of democratic and equal management can stimulate the innovation and vitality of our employees and promote the Company's sustainability, while contributing to the progress of the society. We attach great importance to the career development of our female employees, and through comprehensive policy support and fair promotion mechanisms, we ensure that there is no discrepancy in the salaries of male and female employees in the same position with comparable performance, so as to create an equal working environment for our female employees and help them realise their career aspirations. We also actively employ ethnic minority employees to provide equal opportunities for the development of employees from different cultural backgrounds and to create a diverse and inclusive working environment. As of the end of the Reporting Period, the Group had a total of 6,738 regular employees, of whom 915 were female, accounting for approximately 13.58% of all employees. The number of female employees at the management level was 4 (accounting for 0.06%), the number of female employees at the middle level was 21 (accounting for 0.31%) and the number of female employees at the junior level was 890 (accounting for 13.21%). A total of 3,835 employees (accounting for approximately 56.92% of all employees) belonged to the age group of 30 to 50, with 983 employees aged below 30 and 1,920 employees above 50. As of the end of the reporting period, the Group had a total of 348 employees from ethnic minorities, accounting for 5.16% of the total number of regular employees in the domestic regions. During the Reporting Period, there were 1,074 new employees, of which 250 belonged to the age group below 30. This just reflects the Group's adherence to the principle of equality between men and women in social recruitment, and it will actively cultivate and identify suitable talents from young employees, provide promotion opportunities, and strive to continuously improve the diversity of the Group's employees, senior management and directors in terms of their personal capabilities, professional backgrounds, gender, etc. In conclusion, the Company believes it has achieved diversity in terms of gender, cultural background and age among its employees, and will systematically and progressively enhance diversity in terms of gender and background in future renewal of the Board as well as employee training and promotion. With reference to the above measurable objectives, the Board is satisfied with the successful implementation of the employee diversity policy for the year ended 31 December 2025. The Board will continue to monitor the implementation of the employee diversity policy and review the policy as appropriate to ensure its effectiveness on an annual basis.

## *Directors' Skills and Experience*

The skills matrix below sets out the core competencies and areas of expertise possessed by the Board, all of which are directly aligned with the Company's strategic priorities, corporate governance framework, and operational objectives. These competencies collectively enable the Board to discharge its fiduciary and oversight responsibilities effectively, advance the Group's strategic agenda, and foster long-term, sustainable, and resilient growth. Specifically in terms of:

**Strategic Planning and Resource Development:** Oversight of the Group's strategic execution centered on resource led development, technology enabled advancement, and global expansion, with particular emphasis on mineral exploration, responsible resource development, efficient utilization of reserves, and timely capitalization on cyclical and structural opportunities in international mining markets.

# CORPORATE GOVERNANCE REPORT

**Sustainable Development and ESG Leadership:** Advancement of an integrated, internationally benchmarked sustainability governance framework across operations, community engagement, and environmental stewardship; embedding the principles of responsible mining throughout the value chain to safeguard ecological integrity, strengthen social license to operate and enhance long-term enterprise value.

**Risk Management and Regulatory Compliance:** Rigorous oversight of the design, implementation, and continuous enhancement of a robust, enterprise wide risk management and internal control framework, explicitly addressing safety, environmental, social, legal, regulatory, and market-related risks inherent to the global mining sector.

**Organizational Culture and Talent Strategy:** Cultivation of a high-performance organizational culture grounded in safety, operational excellence, and innovation; active support for talent development and technological capability building as dual enablers of strategic agility, stakeholder accountability, and sustained competitive advantage.

|   | Executive leadership & strategy/directorship or senior executive experience with other listed company(ies) | Capital market expertise | Mining industry expertise | Accounting professionals/business administration management expertise | Legal professionals/regulatory & compliance/risk management |
|---|--|--------------------------|---------------------------|---|---|
| <b>Executive Directors</b>                                  |  |                          |                           |   |   |
| Wang Jianhua ( <i>Chairman</i> )                            | ✓  | ✓                        | ✓                         | ✓   | ✓   |
| Gao Bo ( <i>Vice Chairman and Chief Executive Officer</i> ) | ✓  |                          | ✓                         | ✓   |   |
| Yang Yi-fang ( <i>Vice Chairman</i> )                       | ✓  | ✓                        | ✓                         |   | ✓   |
| Lyu Xiaozhao ( <i>Vice Chairman</i> )                       | ✓  | ✓                        | ✓                         | ✓   |   |
| Zhao Qiang ( <i>Vice President</i> )                        | ✓  | ✓                        | ✓                         | ✓   |   |
| <b>Non-executive Director</b>                               |  |                          |                           |   |   |
| Zhang Xudong  | ✓  | ✓                        |                           | ✓   | ✓   |
| <b>Independent Non-executive Directors</b>                  |  |                          |                           |   |   |
| Wong Yet Ping Ambrose                                       | ✓  | ✓                        |                           | ✓   | ✓   |
| Hu Nailian  |  |                          | ✓                         |   |   |
| Li Houmin   |  |                          | ✓                         |   |   |
| Jiang Qi  | ✓  | ✓                        |                           |   | ✓   |
| <b>Coverage (% of entire Board)</b>                         | 80%  | 70%                      | 70%                       | 60%   | 50%   |

# CORPORATE GOVERNANCE REPORT

## *Board Performance*

The Company regards board evaluation as a critical tool to assess the effectiveness and efficiency of the Board. Led by the Chairman Wang with the support of the Board Secretary, an internal performance evaluation on the Board and its committees had been conducted for year 2025. The Nomination Committee supports and draws reference from this annual evaluation. The evaluation involved each Director completing a questionnaire to provide individual ratings as well as comments covering a range of topics. The objective of the evaluation is to ensure that the Board and its committees continue to act effectively in fulfilling the duties and responsibilities expected of them, and to develop action plans for improvement. The scope of the evaluation covered various aspects, including Board composition and expertise, information flow to Board members, Board process and effectiveness, continuous development and training, Board accountability and leadership. In addition, the constituent, expertise and effectiveness of each of the Board committees were also evaluated. The findings of the evaluation were then analysed and presented to the Nomination Committee and the Board in aggregate form without attributing specific comments or ratings to individual Board members in order to preserve confidentiality, foster a culture of trust and facilitate candid discussions. Based on the performance review for year 2025, the Board considers its existing practice as effective. Positive feedback was received in recognition of the diversity efforts of the Board in appointing new Directors, which helps maintain a balanced mix of expertise and disciplines. The Group's initiatives to enhance overall performance in challenging and rapidly evolving times were also acknowledged. The Board is satisfied that it has met its performance objectives and each Director has contributed positively to the overall effectiveness of the Board and Board committees.

## *Time Commitment of the Directors*

Besides attending formal meetings to learn more about the business of the Company, the Directors of the Company could stay informed about the affairs of the Company through other channels, including listening to the debriefing of the Company's management, reviewing the operating information regularly provided by the Company and paying on-site visits to the Company's business, to gain a full understanding to the Company's business and perform their duties effectively. After careful review, the Board is of the view that the Directors of the Company have dedicated sufficient time and effort to perform their duties during the year.

## *Training and Professional Development of Directors*

During the year, all Directors participated in sufficient continuing professional development by attending seminars and training courses, accessing online learning resources, etc. The Directors have been updated with the latest developments in legal and regulatory requirements and the operation of the Company to facilitate the performance of their duties. Newly appointed Directors for the year ended 31 December 2025 have received a comprehensive, formal and tailored induction on appointment. Training will also be provided for the Directors when necessary to ensure that the Directors understand the business and operation of the Group and their duties and obligations under the Listing Rules of Hong Kong Stock Exchange and Shanghai Stock Exchange as well as the applicable laws and regulations.

# CORPORATE GOVERNANCE REPORT

The individual training records received by each Director during the year are summarized as follows:

| Name  | Scope               |                     |                     |                     |                     | Approximate number of hours of continuous professional development training completed in year 2025 | The shortage of hours for continuous professional development training in year 2025 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|--|---|
|   | Topic 1<br>(Note 1) | Topic 2<br>(Note 2) | Topic 3<br>(Note 3) | Topic 4<br>(Note 4) | Topic 5<br>(Note 5) |  |   |
| <b>Executive Directors</b>  |                     |                     |                     |                     |                     |  |   |
| Mr. Wang Jianhua  | 0.5                 | 5 (Note 6)          | 4                   | 3 (Note 6)          | 9 (Note 7)          | 21.5   | 0   |
| Mr. Gao Bo  | 0.5                 | 3                   | 4                   | 3 (Note 6)          | 1                   | 11.5   | 0   |
| Ms. Yang Yi-fang  | 0.5                 | 5 (Note 6)          | 4                   | 3 (Note 6)          | 9 (Note 7)          | 21.5   | 0   |
| Mr. Lyu Xiaozhao  | 0.5                 | 3                   | 4                   | 3 (Note 6)          | 9 (Note 7)          | 19.5   | 0   |
| Mr. Zhao Qiang (appointed as an executive Director on 31 October 2025)                  | 0.5                 | 3                   | 4                   | 1                   | 3.5 (Note 7)        | 12   | 0   |
| <b>Non-executive Director</b>   |                     |                     |                     |                     |                     |  |   |
| Mr. Zhang Xudong  | 0.5                 | 3                   | 4                   | 1                   | 1                   | 9.5  | 0   |
| <b>Independent Non-executive Directors</b>  |                     |                     |                     |                     |                     |  |   |
| Dr. Mao Jingwen (resigned as independent non-executive Director on 31 October 2025)     | 0.5                 | 3                   | 4                   | 1                   | 1                   | 9.5  | 0   |
| Dr. Shen Zhengchang (resigned as independent non-executive Director on 31 October 2025) | 0.5                 | 3                   | 4                   | 1                   | 1                   | 9.5  | 0   |
| Dr. Wong Yet Ping Ambrose   | 20.5 (Note 6)       | 3                   | 4                   | 1                   | 1                   | 29.5   | 0   |
| Prof. Hu Nailian  | 0.5                 | 3                   | 4                   | 1                   | 1                   | 9.5  | 0   |
| Dr. Li Houmin (appointed as an independent non-executive Director on 31 October 2025)   | 20.5 (Note 6)       | 3                   | 4                   | 1                   | 1                   | 29.5   | 0   |
| Dr. Jiang Qi (appointed as an independent non-executive Director on 31 October 2025)    | 0.5                 | 3                   | 4                   | 1                   | 1                   | 9.5  | 0   |

**Notes:**

- (1) The roles, functions and responsibilities of the Board, its committees and its directors, and board effectiveness (review the relevant training materials);
- (2) Issuers' obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations and duties (review the relevant training materials and training provided by external provider);

# CORPORATE GOVERNANCE REPORT

- (3) Corporate governance and ESG matters (including developments on sustainability or climate-related risks and opportunities relevant to the issuer and its business) (review the relevant training materials and training provided by external provider);
- (4) Risk management and internal controls (review the relevant training materials);
- (5) Updates on industry-specific developments, business trends and strategies relevant to the Company (review the relevant training materials);
- (6) Review the relevant training materials;
- (7) Review the training materials and attend external seminars.

## *Delegation of Powers*

The Board delegates day-to-day operations of the Group to the executive Directors and management of the Company with department heads responsible for different aspects of the business/duties, while reserving strategic decisions on certain key matters for its approval. When the Board delegates aspects of its management and administration functions to the management, it gives clear directions as to the powers of the management, in particular, with respect to the circumstances where the management needs to report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. The management provides sufficient explanation and information to the Board to enable it to make an informed assessment of financial and other information put before it for approval. The management also provides the Board with monthly updates on the Company's performance, position and prospects.

Meanwhile, the Board also regularly reviews the relevant functions, authorisation matters and day-to-day business operations of the management of the Company at the annual and/or half-yearly Board meetings to ensure that they remain appropriate to the Company's needs.

## **(III) Revision and improvement of internal control system**

During the Reporting Period, to further strengthen corporate governance, the Company revised the Articles of Association, Rules of Procedure for General Meeting, Rules of Procedure for the Board of Directors, the Board Authorization Management System, the Management System for Connected Transactions, the Working Rules for Independent Directors, the Administrative Measures for External Guarantees, Board Authorization Management System, Market Value Management System and Working Rules for the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, Strategy and Sustainability Committee, and continuously improved the standardized operation of internal control.

The Board shall perform operational decision-making and is committed to establishing and improving the measures and plans for internal control as well as the implementation of the internal control system, so as to safeguard the investment of shareholders and the assets of the Group.

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The Board recognises it is responsible for the risk management and internal control systems and reviewing their effectiveness. Such systems are 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. The Board has delegated its responsibility (together with the relevant authority) for internal control to the Audit Committee. The Audit Committee is responsible for supervising the design, implementation and monitoring of the management in respect of the internal control system. The Audit Committee has conducted two reviews on the effectiveness of the internal control systems for the year ended 31 December 2025. The management has reviewed and confirmed to the Audit Committee (and the Board) the effectiveness and adequacy of such system for the year ended 31 December 2025.

The Board shall be responsible for the internal control system of the Company and reviewing the effectiveness of such system. The Audit Committee shall supervise the establishment and implementation of internal control by the Board. The management is responsible for organising and leading the daily operation of internal control.

# CORPORATE GOVERNANCE REPORT

## (IV) Information disclosure and investor relations

The Company strictly follows the listing rules of the Shanghai Stock Exchange and Hong Kong Stock Exchange and fulfills its information disclosure obligations in accordance with the law, and strictly adheres to the principles of “fairness, justice and openness” to ensure that the information disclosed in the Company’s periodic reports and provisional announcements is authentic, accurate, timely, complete, concise, clear and easy to understand. The Board Secretary, the Company Secretary and the board office of the Company are responsible for the Company’s information disclosure and investor relations management. The Company has always adhered to the principles of openness and transparency to continuously improve the quality of information disclosure, expand the forms of information disclosure, and enrich the content of information disclosure. The Company sincerely communicates with investors, establishes good, stable, and diversified communication channels, and enhances investors’ comprehensive understanding of the Company.

The management of the Company attaches great importance to the investor relation management, and has established Measures for Information Disclosure, Investor Relation Management Policy and other regulatory systems to standardise and optimise the investor relation management of the Company.

By implementing the Investor Relation Management Policy, the Company enhances investors’ and shareholders’ understanding and recognition of the Company through reasonable information disclosure and exchange. At the same time, transparent information disclosure helps to improve the level of corporate governance, so as to maximize the overall interests of the Company and protect the legitimate rights and interests of investors and shareholders.

The Investor Relation Management Policy are summarized as follows:

- Purposes of investor relation**
- Strengthen communication with investors through adequate information disclosure to promote their understanding and recognition of the Company;
  - Establish the management concept of respect investors and the market;
  - Establish a stable and high-quality investor base to obtain long-term market support;
  - Promote the benign relationship between the Company and investors, increase the transparency of the Company’s information, and optimize corporate governance; and
  - To maximize the value of the Company and the interests of Shareholders.

# CORPORATE GOVERNANCE REPORT

## Basic principles of investor relation management

• The Company adheres to the following principles in the work of investor relation management, including:

- (i) **The principle of compliance:** The investor relations management of the Company should be carried out in accordance with the legal obligation of information disclosure. It should comply with laws, regulations, rules and norms, industry norms and self-regulatory rules, the internal regulations of the Company, as well as the commonly observed ethical norms and behavioral standards in the industry;
- (ii) **The principle of equality:** When conducting investor relations management activities, the Company shall treat all investors equally, and especially create opportunities and provide convenience for small and medium-sized investors to participate in the activities.
- (iii) **The principle of initiative:** The Company should proactively carry out investor relations management activities, listen to the opinions and suggestions of investors, and promptly respond to their demands; and
- (iv) **The principle of honesty and integrity:** The Company should emphasize integrity, adhere to the bottom line, operate in a standardized manner, and assume responsibilities, in order to create a healthy and favorable market environment in investor relations management activities.

## Targets of investor relation

- Investors, including existing Shareholders and potential investors;
- Media such as securities analysts, financial media and industry media; and
- Securities regulatory authorities and other relevant government agencies.

# CORPORATE GOVERNANCE REPORT

## Communication mode

- The Company discloses information to Shareholders and investors through announcements, general meetings, company websites, mailing materials, telephone consultation, media interviews and reports, analyst meetings and performance briefings, one-to-one communication, on-site visits, roadshows, questionnaires and other channels;
- The Company attaches great importance to the construction of the network communication platform, opens a column on investor relation on the Company's website, and has set up an e-mail address to accept inquiries and suggestions from investors and responds in a timely manner;
- The Company timely enriches and updates the content of the Company's website, and can add information that investors care about on the Company's website, such as news release, company profile, expressway operation and related supporting services, legal information disclosure materials, contact methods of investor relation, special articles and executive speeches; and
- The Company allows the public to participate in the Company's investor relation exchange activities online and offline through modern communication tools such as the network, in combination with on-site visits and other modes. During the implementation of the financing plan, the roadshow shall be held in accordance with the relevant regulations, and the time and place of the annual general meeting and the extraordinary general meeting shall be fully considered to facilitate the participation of Shareholders, allowing the Company to receive the opinions of Shareholders and other stakeholders in a timely manner.

During the Reporting Period, while earnestly performing statutory information disclosure obligations, the Company launched investor relation activities in various forms to provide investors with information which they were interested in, to promote the operation transparency of the Company and to build mutual understanding and trust. Meanwhile, the Company absorbed the advice from investors in the course of information delivery and collected feedback from investors to boost benign interactions between the Company and investors. During the year ended 31 December 2025, the Company considers that the Shareholders communication policy was effectively implemented with the above measures in place.

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In conducting investor relation activities by the Company, the board office of the Company is dedicated to investor relation management. The channels adopted by it mainly include: answering phone calls and e-mail enquiries from the investors timely through investor hotline and e-mail; hosting site visits for investors and securities analysis agencies; participating in investor promotion activities; organising roadshows; providing particulars about the Company, information disclosure and corporate governance through the Company's website.

The Company regularly receives inquiries from relevant investment organisations and industry stakeholders, in relation to the Group's business development, industry prospects and financing proposals. On the premise of complying with applicable laws and regulations, the Company will strengthen its contact with all parties in accordance with the above Investor Relation Management Policy. In order to enhance the transparency of the Company's information disclosure, the Company will, as always, continue to provide relevant information on a regular basis and as necessary under the premise of compliance. In view of the above, having considered the various existing communication channels and feedback from shareholders and investors, the Company believes that its communication policy with investors has been effectively implemented during the reporting period.

The Board is grateful to Shareholders and other stakeholders for their continued support to the Group and welcomes their views as well as any questions they may have about the management and governance matters of the Company.

## (V) Risk Management System

The Company continues to advance its risk governance framework, establish three lines of defense for risk management with clear responsibilities and efficient operation, and continuously enhance its comprehensive risk management capabilities, thereby provides a solid guarantee for the Company's high-quality development.

As the responsible subject of risk management and control, all functional departments and business units are responsible for actively identifying, assessing, responding to and controlling risks in the whole process of daily operation, business development and project implementation, and carrying out direct responsibility for risk management and control.

The Audit Committee of the Board and the Audit Department are responsible for coordinating the establishment and implementation of the risk management systems of the Company, processes and standards, organizing and conducting risk monitoring, investigation and evaluation, guiding and supervising the first line of defense to effectively fulfill its risk management responsibilities, and promoting the continuous improvement of the risk management system.

The general meeting and the Board review the overall framework, basic policies and risk preferences for risk management at the corporate governance level, control the overall risk exposure and major risk matters of the Company, regularly listen to reports on risk management work, supervise and make decisions on the soundness and effectiveness of the comprehensive risk management system of the Company.

# CORPORATE GOVERNANCE REPORT

## (VI) Scope of responsibilities:

### *Board*

1. Be responsible for the risk management and internal control system and continuously review their effectiveness, to ensure that the Company can establish and maintain effective risk management and internal control systems;
2. Review the risk management and internal control systems of the Company at least once every year, and ensure that at each review, the Company has sufficient resources, staff qualifications and experience, staff training programmes and relevant budgets in terms of accounting, internal audit and financial reporting functions. In case of additional matters that need to be reported, the chairman of the Board shall determine whether to report such matters to the Board; and
3. Supervise the design, implementation and monitoring of the management in respect of the risk management and internal control systems.

### *Audit Committee*

1. Review and assess the completeness and effectiveness of the financial control, internal control and risk management systems, mechanisms and regimes;
2. Evaluate the risk management and internal control assessment and audit results, and supervise the rectification regarding risk management and internal control defects;
3. Discuss with management about the internal control system to ensure that the management has set up an effective internal control system. The discussion shall cover the sufficiency of resources and staff qualifications and experience of accounting and financial reporting functions, and the adequacy of staff trainings and relevant budgets; and
4. Study, either initiatively or as assigned by the Board, the important review results related to risk management and internal control matters and the management's feedback about such review results.

### *Management*

1. Be responsible for the risk management and internal control, and manage the affairs in connection therewith; and
2. Provide feedback to the Board and the Audit Committee on the relevant information about risk management and internal control processes.

# CORPORATE GOVERNANCE REPORT

The management of the Company reports the risk management and internal control of the Company to the Audit Committee and the Board at the annual meeting held each year, so that the Board is able to make judgements about the effectiveness of the control and risk management of the Company.

The Company applies relevant policies and procedures to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects, which include the requirement that the management of the Company shall conduct regular evaluation and acquire relevant information timely. In the meantime, the Company has developed a set of anti-corruption policies and systems to offer guarantee for anti-corruption, reporting and supervision. Whistleblowing channels are available to employees and stakeholders, with defined procedures for investigation, root-cause analysis and disciplinary action where breaches are substantiated. Business continuity and cybersecurity arrangements include back-up and disaster recovery procedures, vulnerability management and incident response run-books, support operational resilience.

## (VII) Specific procedures for identification, assessment and management of material risks

### 1. Risk identification

Determine risk measurement criteria and identify risks which may have potential impact on the Company.

### 2. Risk assessment

Assess risks identified and classify them by risk level.

### 3. Risk response

Select a response strategy according to the risk level, and the risk management department follows up the effectiveness of such response strategy; and, at the same time, formulate relevant countermeasures to avoid recurrence of and to mitigate the risks.

### 4. Risk monitoring

Monitor the risks continuously and regularly, and adjust the procedures for the risk management and internal control when appropriate to ensure that the control procedures are appropriate and effective; report the results of risk monitoring to the management and the Board regularly.

In a bid to become resilient to changes of external environment and maintain its profitability, the Company optimises its business flow and transforms its business and management modes through management innovation, business reform and other means. It also exerts great efforts to mid – and long-term planning, promotion of cost reduction, organisation and procedure optimisation, capability improvement and other aspects of the Company to ensure its implementation and realisation of strategy and annual plan.

## (VIII) Internal Audit Function

The internal audit function of the Company is performed by the Audit Department, which directly reports to the Audit Committee.

# CORPORATE GOVERNANCE REPORT

## (IX) Handling and Dissemination of Inside Information

In respect of the procedures for and internal control of handling and dissemination of inside information, the Company:

1. acknowledges its responsibilities under the SFO and the Hong Kong Listing Rules, and the overriding principle is that if such information is determined as inside information, an announcement shall be published as soon as reasonably and practicably feasible; and
2. pays close attention to the applicable laws and regulations when handling with such information.

A self-evaluation report has been prepared by the Board in respect of the risk management and internal control matters of the Company during the reporting period. The Board has reviewed the control systems of the Company and is of the view that, during the Reporting Period, such systems were effective and adequate and management of the Company should further perfect its risk management and internal control systems to promote a higher standard of corporate governance.

## (X) Procedures for Convening Extraordinary General Meetings

Shareholders that hold, individually or collectively, ten percent (10%) or more of the shares in the Company shall have the right to request in writing the Board to hold an extraordinary general meeting, clearly stating the agenda of the meeting. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to call such an extraordinary general meeting within ten (10) days after receiving the proposal from the above-mentioned Shareholders to call such meeting.

## (XI) Procedures for Making Enquiries to the Board

The shareholder communication policy of the Company aims to maintain transparency and provide information about major developments of the Group to Shareholders and investors in a timely manner. General meetings are the formal channel of communication of the Company with Shareholders and the Board. The chairman of the Board and the chairmen of board committees (or another member of the respective committee if one fails to attend the meeting) will attend general meetings to have direct communication with Shareholders.

Shareholders may also make their enquiries and questions to the Board by sending to the Board Office of the Company at the following address:

Address: A7 Xiaojing, Wanfeng Road, Fengtai District, Beijing, the PRC

Telephone: +86(10) 5323 2310

# CORPORATE GOVERNANCE REPORT

## (XII) Procedures for Making Proposals at General Meetings

The Board, the Audit Committee and Shareholders holding, individually or collectively, one percent (1%) or more of the Shares in the Company shall have the right to put forward proposals to the Company at the general meeting.

Shareholders who individually or collectively hold more than one percent (1%) of the Shares of the Company may submit a provisional proposal in writing to the convener ten (10) days prior to the convening of the general meeting. If the proposal meets the requirements of Article 58 of the Articles of Association, the convener shall issue a supplemental notice of the general meeting within two (2) days after receiving the proposal and announce the content of the provisional proposal.

Details of the correspondence address of the Company are as follows:

A7 Xiaojing, Wanfeng Road  
Fengtai District  
Beijing  
The PRC

Tel: +86 (10) 5323 2310  
Fax: +86 (10) 5323 2310  
Email: IR@cfgold.com

## (XIII) Amendments to the Constitutional Documents

For the existing Articles of Association, in order to further improve the corporate governance of the Company and in light of the actual situation of the Company, during the Reporting Period, the Proposals on the Amendment of the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd. (《修訂〈赤峰吉隆黃金礦業股份有限公司章程的議案〉》) were considered and approved at the 2024 AGM of the Company held on 12 June 2025 and the 2025 EGM of the Company held on 31 October 2025, respectively. For details, please refer to the announcements of the Company dated 20 May 2025, 12 June 2025, 10 October 2025 and 31 October 2025 and the circulars of the Company dated 21 May 2025 and 14 October 2025.

## (XIV) Compliance with the Model Code

During the year, the Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**"). Having made specific enquiries with all the Directors, it was confirmed that the Directors of the Company have complied with the Model Code in relation to securities transactions by the directors and its own standards of code of conduct and there has not been any non-compliance with the Model Code.

## (XV) Directors' Responsibilities for Preparation of Financial Statements

The directors acknowledge their responsibilities for preparing financial statements of the Group in accordance with the relevant statutory requirements and China Accounting Standards for Business Enterprises and ensuring that the financial statements give a true and fair view of the Group's financial position.

According to the Code Provision C.5.9 of the Corporate Governance Code, management shall provide sufficient explanation and information to the Board so that the Board can make an informed assessment of financial and other information before such information is submitted to the Board for approval. The Company shall also provide all members of the Board with monthly updates on the performance, position and prospects of the Group.

# CORPORATE GOVERNANCE REPORT

## II. BRIEF INFORMATION ABOUT GENERAL MEETING

The management of the Company attaches great importance to the investor relation management, and has established Measures for Information Disclosure, Investor Relation Management Policy and other regulatory systems to standardise and optimise the investor relation management of the Company.

By implementing the Investor Relation Management Policy, the Company enhances investors' and shareholders' understanding and recognition of the Company through reasonable information disclosure and exchange. At the same time, transparent information disclosure helps to improve the level of corporate governance, so as to maximize the overall interests of the Company and protect the legitimate rights and interests of investors and shareholders.

During the Reporting Period, while earnestly performing statutory information disclosure obligations, the Company launched investor relation activities in various forms to provide investors with information which they were interested in, to promote the operation transparency of the Company and to build mutual understanding and trust. Meanwhile, the Company absorbed the advice from investors in the course of information delivery and collected feedback from investors to boost benign interactions between the Company and investors.

In conducting investor relation activities by the Company, the board office of the Company is dedicated to investor relation management. The channels adopted by it mainly include: answering phone calls and e-mail enquiries from the investors timely through investor hotline and e-mail; hosting site visits for investors and securities analysis agencies; participating in investor promotion activities; organising roadshows; providing particulars about the Company, information disclosure and corporate governance through the Company's website.

The Company regularly receives inquiries from relevant investment organisations and industry stakeholders, in relation to the Group's business development, industry prospects and financing proposals. On the premise of complying with applicable laws and regulations, the Company will strengthen its contact with all parties in accordance with the above Investor Relation Management Policy. In order to enhance the transparency of the Company's information disclosure, the Company will, as always, continue to provide relevant information on a regular basis and as necessary under the premise of compliance. In view of the above, having considered the various existing communication channels and feedback from shareholders and investors, the Company believes that its communication policy with investors has been effectively implemented during the Reporting Period.

The Board is grateful to Shareholders and other stakeholders for their continued support to the Group and welcomes their views as well as any questions they may have about the management and governance matters of the Company.

# CORPORATE GOVERNANCE REPORT

| <b>Session</b>                     | <b>Date of convention</b> | <b>Search index for the website designated for publishing resolutions</b> | <b>Date of disclosure to publication of resolutions</b> | <b>Meeting resolutions</b>  |
|------------------------------------|---------------------------|---|---|---|
| The Annual General Meeting in 2024 | 12 June 2025              | www.hkexnews.hk   | 12 June 2025  | <p>The following matters were considered and approved:</p> <ol style="list-style-type: none"> <li>1. Work Report of the Board of Directors for 2024;</li> <li>2. Work Report of the Supervisory Committee for 2024;</li> <li>3. Financial Accounts Report for 2024;</li> <li>4. Financial Budget Report for 2025;</li> <li>5. Profit Distribution Proposal for 2024;</li> <li>6. Establishment of the Shareholders' Return Plan for the Next Three Years (2025-2027);</li> <li>7. Determination of the Remuneration of Directors for 2024 and Remuneration Plan for 2025;</li> <li>8. 2024 Annual Report and Its Summary;</li> <li>9. The Reappointment of Auditor for 2025;</li> </ol> |

## CORPORATE GOVERNANCE REPORT

| Session | Date of convention | Search index for the website designated for publishing resolutions | Date of disclosure to publication of resolutions | Meeting resolutions   |
|---------|--------------------|--|--|---|
|         |                    |  |  | 10. Total Amount of Financing Limit for 2025;   |
|         |                    |  |  | 11. Total Amount of External Guarantee for 2025;  |
|         |                    |  |  | 12. General Mandate for Issue of Debt Financing Instruments by the Company;   |
|         |                    |  |  | 13. General Mandate to the Board of Directors for Issue of A Shares and (or) H Shares by the Company;                   |
|         |                    |  |  | 14. Change of Registered Capital of the Company;  |
|         |                    |  |  | 15. Abolition of the Supervisory Committee;   |
|         |                    |  |  | 16. Amendments to the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd.;                                  |
|         |                    |  |  | 17. Amendments to the Rules of Procedure for General Meetings of Chifeng Jilong Gold Mining Co., Ltd.; and              |
|         |                    |  |  | 18. Amendments to the Rules of Procedure for Meetings of the Board of Directors of Chifeng Jilong Gold Mining Co., Ltd. |

# CORPORATE GOVERNANCE REPORT

| <b>Session</b>                                  | <b>Date of convention</b> | <b>Search index for the website designated for publishing resolutions</b> | <b>Date of disclosure to publication of resolutions</b> | <b>Meeting resolutions</b>  |
|---|---------------------------|---|---|---|
| The first extraordinary general meeting in 2025 | 15 January 2025           | www.sse.com.cn  | 16 January 2025   | <p>The following matters were considered and approved:</p> <ol style="list-style-type: none"> <li>1. Resolution on the “ESOPIII of Chifeng Jilong Gold Mining Co., Ltd. (Draft)” and its summary;</li> <li>2. Resolution on the “Management Measures for ESOPIII of Chifeng Jilong Gold Mining Co., Ltd.”; and</li> <li>3. Resolution on the “Proposal to request the General Meeting to Authorize the Board to Handle Matters Related to the ESOPIII of the Company”.</li> </ol> |

## CORPORATE GOVERNANCE REPORT

| <b>Session</b>                                   | <b>Date of convention</b> | <b>Search index for the website designated for publishing resolutions</b> | <b>Date of disclosure to publication of resolutions</b> | <b>Meeting resolutions</b>  |
|--|---------------------------|---|---|---|
| The second extraordinary general meeting in 2025 | 31 October 2025           | www.hkexnews.hk   | 31 October 2025   | <p>The following matters were considered and approved:</p> <ol style="list-style-type: none"> <li>1. Proposed Amendments to the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd.;</li> <li>2. Proposed Amendments to the Working Rules for Independent Directors of the Company;</li> <li>3. Proposed Amendments to the Management System for Connected Transactions of the Company;</li> <li>4. Proposed Amendments to the Administrative Measures for External Guarantees of the Company;</li> <li>5. Proposed Election of the Non-independent Directors of the Ninth Session of the Board of the Company;</li> <li>6. Proposed Election of the Independent Directors of the Ninth Session of the Board of the Company.</li> </ol> |

# CORPORATE GOVERNANCE REPORT

## III. INFORMATION ABOUT DIRECTORS AND SENIOR EXECUTIVES

### (I) Changes in share ownership and remuneration of current and former directors and senior executives during the Reporting Period

Unit: A Share

| Name                  | Position                           | Gender | Age | Date of appointment | Date of resignation | Number of shares held at the beginning of the year | Number of shares held at the end of the year | Increase/ (decrease) of shares in the year | Reasons for increase/ decrease | Total pre-tax remuneration received from the Company during the Reporting Period (RMB '0,000) | Whether remuneration from related parties of the Company is received |
|-----------------------|------------------------------------|--------|-----|---------------------|---------------------|--|--|--|--------------------------------|---|--|
| Wang Jianhua          | Executive Director                 | Male   | 70  | 2018-09-17          | /                   | 74,200,071   | 74,200,071                                   | 0  |                                | 649.40  | No   |
| Gao Bo                | Executive Director                 | Male   | 57  | 2019-12-21          | /                   | 153,500  | 153,500                                      | 0  |                                | 747.30  | No   |
|                       | Vice Chairman                      |        |     | 2023-01-18          | 2025-10-31          |  |  |  |                                |   |  |
|                       | CEO                                |        |     |                     |                     |  |  |  |                                |   |  |
| Yang Yi-fang          | Executive Director                 | Female | 49  | 2022-07-26          | /                   | 113,000  | 113,000                                      | 0  |                                | 741.22  | No   |
|                       | Vice Chairman                      |        |     | 2022-12-30          | 2025-10-31          |  |  |  |                                |   |  |
| Lyu Xiaozhao          | Executive Director                 | Male   | 62  | 2012-12-14          | /                   | 111,700  | 111,700                                      | 0  |                                | 561.67  | No   |
|                       | Vice President and Chief Engineer  |        |     | 2023-09-27          | 2025-10-31          |  |  |  |                                |   |  |
|                       | Vice Chairman                      |        |     | 2025-10-31          | /                   |  |  |  |                                |   |  |
| Zhao Qiang            | Executive Director                 | Male   | 49  | 2025-10-31          | /                   | 204,000  | 204,000                                      | 0  |                                | 341.11  | No   |
|                       | Vice President                     |        |     |                     |                     |  |  |  |                                |   |  |
| Zhang Xudong          | Non-executive Director             | Male   | 60  | 2022-01-04          | /                   | 0  | 0  | 0  |                                | 32.00   | No   |
| Wong Yet Ping Ambrose | Independent non-executive Director | Male   | 46  | 2024-08-23          | /                   | 0  | 0  | 0  |                                | 24.00   | No   |
| Hu Nailian            | Independent non-executive Director | Male   | 70  | 2022-01-04          | /                   | 0  | 0  | 0  |                                | 24.00   | No   |
| Li Houmin             | Independent non-executive Director | Male   | 63  | 2025-10-31          | /                   | 0  | 0  | 0  |                                | 4.09  | No   |
| Jiang Qi              | Independent non-executive Director | Male   | 52  | 2025-10-31          | /                   | 0  | 0  | 0  |                                | 4.09  | No   |

## CORPORATE GOVERNANCE REPORT

| Name               | Position                                  | Gender | Age | Date of appointment      | Date of resignation | Number of shares held at the beginning of the year | Number of shares held at the end of the year | Increase/ (decrease) of shares in the year | Reasons for increase/ decrease | Total pre-tax remuneration received from the Company during the Reporting Period (RMB '0,000) | Whether remuneration from related parties of the Company is received |
|--------------------|---|--------|-----|--------------------------|---------------------|--|--|--|--------------------------------|---|--|
| Feng Tao           | Vice President and Chief Engineer         | Male   | 50  | 2026-02-28               | /                   | 0  | 0  | 0  |                                | 0   | No   |
| Zhang Tianhang     | Vice President                            | Male   | 37  | 2026-02-02               | /                   | 8,900  | 0  | (8,900)                                    | personal interest              | 0   | No   |
| Zhou Xinbing       | Vice President                            | Male   | 49  | 2023-01-18               | /                   | 112,800  | 112,800                                      | 0  |                                | 615.06  | No   |
| Wong Hok Bun Mario | Vice President<br>Chief Financial Officer | Male   | 46  | 2023-07-14<br>2023-09-27 | /                   | 0  | 0  | 0  |                                | 626.97  | No   |
| Chen Zhiyong       | Vice President                            | Male   | 52  | 2023-01-18               | /                   | 0  | 0  | 0  |                                | 404.68  | No   |
| Dong Shubao        | Board Secretary                           | Male   | 43  | 2022-01-04               | /                   | 38,500   | 38,500                                       | 0  |                                | 361.63  | No   |
| Mao Jingwen        | Independent non-executive Director        | Male   | 69  | 2022-01-04               | 2025-10-31          | 0  | 0  | 0  |                                | 20.00   | No   |
| Shen Zhengchang    | Independent non-executive Director        | Male   | 65  | 2022-01-04               | 2025-10-31          | 0  | 0  | 0  |                                | 20.00   | No   |
| Total              | /   | /      | /   | /                        | /                   | 74,942,471   | 74,933,571                                   | (8,900)                                    | /                              | 5,177.22  | /  |

*Notes:*

1. The remuneration of the outgoing officer during the Reporting Period refers to the remuneration of the incumbent directors, or senior executives.
2. Ms. Yang Yi-fang holds 113,000 A Shares through the Shanghai Stock Connect account.
3. As of the date of this Report, Mr. Zhang Tianhang holds 5,000 A Shares.

The list of Directors and their roles and functions as of 31 December 2025 is as follows:

Executive Directors: Mr. Wang Jianhua (Chairman), Mr. Gao Bo, Ms. Yang Yi-fang, Mr. Lyu Xiaozhao, Mr. Zhao Qiang

Non-executive Director: Mr. Zhang Xudong

Independent non-executive Directors: Dr. Wong Yet Ping Ambrose (Lead Independent Non-executive Director), Prof. Hu Nailian, Dr. Li Houmin, Dr. Jiang Qi

The Directors appointed during the Reporting Period have each confirmed that he understood his obligations as a Director and have each obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 9 October 2025.

# CORPORATE GOVERNANCE REPORT

## (II) Employment of existing and resigned Directors and senior executives during the Reporting Period

### 1. Employment in other companies

| <b>Name of employer</b> | <b>Name of other companies</b>                                 | <b>Position held in other companies</b> | <b>Date of appointment</b> | <b>Date of resignation</b> |
|-------------------------|--|---|----------------------------|----------------------------|
| Zhang Xudong            | Hua Kong Tsing Jiao Information Technology (Beijing) Co., Ltd. | Chairman and CEO                        | 2018.09                    |                            |
| Wong Yet                | Linkpath CPA Ltd   | Director                                | 2023.10                    | 2026.02                    |
| Ping Ambrose            | Ng, Suen & Lau CPA Limited                                     | Principal                               | 2026.02                    |                            |
| Hu Nailian              | Shandong Yulong Gold Co., Ltd.                                 | Independent Director                    | 2025.02                    | 2025.07                    |
| Jiang Qi                | Hylands Law Firm   | Chairman                                | 2021.06                    |                            |
|                         | Hylands (Shanghai) Law Firm                                    | Director, Managing Partner              | 2025.06                    |                            |
| Wong Hok Bun Mario      | Deep Source Holdings Limited                                   | Independent non-executive Director      | 2024.12                    |                            |
|                         | Yunnan Jinxun Resources Co., Ltd.                              | Independent non-executive Director      | 2025.05                    |                            |
|                         | Jiaxin International Resources Investment Limited              | Independent non-executive Director      | 2025.08                    |                            |
| Mao Jingwen             | Zijin Mining Group Co., Ltd.                                   | Independent Director                    | 2019.12                    | 2025.03                    |
|                         | CITIC Metal Co., Ltd.  | Independent Director                    | 2022.09                    | 2025.05                    |
| Shen Zhengchang         | BGRIMM Technology Group Co., Ltd.                              | Chief Scientist                         | 2020.12                    |                            |

# CORPORATE GOVERNANCE REPORT

## (III) Remuneration of Directors and senior executives

Decision-making procedures for the remuneration of Directors and senior executives

The remuneration plan for Directors and senior management are approved by the general meeting and the Board respectively. The performance assessment is carried out in accordance with the Remuneration Management system for Directors, Supervisors and Senior Management of the Company and the 2025 annual assessment plan for Directors and senior management formulated by the Remuneration and Appraisal Committee.

Whether Directors should abstain from discussion regarding their remuneration matters at the Board meeting

Yes

Details of the suggestions on the remuneration of Directors and senior executives issued by the Remuneration and Appraisal Committee or the special meeting of independent Directors

The remuneration of Directors and senior management for the year 2025 is in line with the current situation of the Company's operation and management as well as its performance. There is no situation that harms the interests of the Company and its Shareholders.

# CORPORATE GOVERNANCE REPORT

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|  |  |
|--|--|
| Basis for determining remuneration of Directors and senior executives  | Based on the Company's scale and performance, the Remuneration and Appraisal Committee adheres to the principle of distributing rewards according to work and integrating responsibility, authority and rights; giving priority to performance, reflecting the value concept of sharing the Company profits and bearing risks together; takes into account of internal and external fairness for the overall salary level and is adapted to the Company's scale and development stage. It recommends the compensation and performance evaluation plans for executive Directors and senior management to the Board according to the Company's business plan and the responsibilities of the respective departments; non-executive Director and independent Directors receive director allowances and do not participate in performance evaluations. |
| Actual payment of the remuneration for Directors and senior executives   | For details, please refer to the section headed "III. (I) Changes in Share Ownership and Remuneration of Current and Former Directors and Senior Executives during the Reporting Period".  |
| Total of the actual amount of remuneration gained by all Directors, and senior executives at the end of reporting period | RMB51,772,200  |

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# CORPORATE GOVERNANCE REPORT

The assessment basis and completion status of the actual remuneration received by all Directors and senior management personnel at the end of the Reporting Period

According to the Remuneration Management System for Directors, Supervisors and Senior Management of the Company, on 20 March 2026, the Remuneration and Appraisal Committee of the ninth Board conducted an assessment of the executive Directors and senior management (the independent Directors and non-executive Directors of the Company are not subject to this), based on the authorization granted by the 2024 AGM, and reported the assessment results to the Board ; the approved remuneration for Directors and senior management in 2025 and the remuneration plan for Directors and senior management in 2026 were confirmed by the fifth meeting of the ninth Board.

The performance assessment work is effectively carried out in accordance with the Company's performance assessment system. This year, the executive Directors and senior management were evaluated comprehensively based on the Company's overall operating performance, ESG performance and ratings, individual performance and other factors, and in combination with key tasks that have significant impacts on the Company's development during the Reporting Period, such as major breakthroughs in resource exploration and listing in Hong Kong.

## (IV) Changes in the Directors and senior executives of the Company

| Name            | Position held                      | Changes   | Reason for change |
|-----------------|------------------------------------|-----------|-------------------|
| Mao Jingwen     | Independent Director               | Resigned  | Personal Reason   |
| Shen Zhengchang | Independent Director               | Resigned  | Personal Reason   |
| Li Houmin       | Independent Non-Executive Director | Elected   | /                 |
| Jiang Qi        | Independent Non-Executive Director | Elected   | /                 |
| Feng Tao        | Vice President and Chief Engineer  | Appointed | /                 |
| Zhang Tianhang  | Vice President                     | Appointed | /                 |

# CORPORATE GOVERNANCE REPORT

## IV. RELEVANT INFORMATION OF THE BOARD MEETINGS HELD DURING THE REPORTING PERIOD

### Board Meetings and Board Practices

The Directors can attend meetings in person or through other means of electronic communication in accordance with the Articles of Association. The Board Secretary assists the Chairman to prepare the agenda of the meeting and each Director may request to include any matters in the agenda. Generally, notice would be given for a regular Board meeting of the Company at least 14 days in advance. The Directors will receive details of agenda items and accompanying board papers for decision at least 3 days before each Board meeting. All Directors are able to include matters in the agenda upon request to the Board Secretary. The Board Secretary is responsible for distributing detailed documents (including those provided by the management) to each of the Directors prior to the Board meetings to ensure that the Directors may receive accurate, timely and clear information to make informed decisions regarding the matters to be discussed in the Board meetings. All Directors may access the advice and services of the Board Secretary who regularly updates the Board on governance and regulatory matters. All Directors will also be provided with sufficient resources to discharge their duties, and upon reasonable request, the Directors will be able to seek independent professional advice in appropriate circumstances at the Company's expense. The Board Secretary is also responsible for ensuring the procedures of Board meetings are observed and providing the Board with opinions on matters in relation to the compliance with the procedures of Board meetings. All minutes of Board meetings (including Board committee meetings) will be recorded in sufficient details, including the matters considered by the Board and the decisions reached, and are kept by the Board Secretary. The minutes are sent to all Directors for comment and records, and are open for inspection at any reasonable time on reasonable notice by any Director.

# CORPORATE GOVERNANCE REPORT

| Session  | Date             | Resolution  |
|--|------------------|---|
| Thirty-fourth Meeting of the Eighth Session of the Board | 25 February 2025 | To consider and pass the resolution on Matters Relating to the Determination of the Global Offering (including Hong Kong Public Offering and International Offering) and Listing of the Company's H Shares on the Hong Kong Stock Exchange  |
| Thirty-fifth Meeting of the Eighth Session of the Board  | 28 March 2025    | <p>The following resolutions were approved:</p> <p>Resolution 1 : 2024 Annual Report of the Chief Executive Officer</p> <p>Resolution 2 : Work Report of the Board of Directors for 2024</p> <p>Resolution 3 : Financial Accounts Report for 2024</p> <p>Resolution 4 : Financial Budget Report for 2025</p> <p>Resolution 5 : Profit Distribution Proposal for 2024</p> <p>Resolution 6 : Establishment of the Shareholders' Return Plan for the Next Three Years (2025-2027)</p> <p>Resolution 7 : Internal Control Evaluation Report for 2024</p> <p>Resolution 8 : Special Report on the Deposit and Utilization of Funds Raised in 2024</p> <p>Resolution 9 : Special Report on the Self-Examination of the Independence of Independent Directors</p> <p>Resolution 10 : Proposal on the approval of the 2024 annual compensation of Directors and senior managers and the 2025 annual compensation plan</p> <p>Resolution 11 : 2024 Annual Report and Its Summary</p> |

# CORPORATE GOVERNANCE REPORT

| Session   | Date          | Resolution   |
|---|---------------|--|
|   |               | Resolution 12 : 2024 ESG report  |
|   |               | Resolution 13 :The proposal regarding the renewal of the 2025 annual auditing firm contract  |
|   |               | Resolution 14 :Proposal on the hedging business in 2025  |
|   |               | Resolution 15 :Proposal on the Use of own Funds for Cash Management  |
|   |               | Resolution 16 :Total Amount of Financing Limit for 2025  |
|   |               | Resolution 17 :Total Amount of External Guarantee for 2025   |
|   |               | Resolution 18 : Proposal on general authorization for companies to issue debt financing instruments  |
|   |               | Resolution 19 :General Mandate to the Board of Directors for Issue of A Shares and (or) H Shares by the Company  |
|   |               | Resolution 20 :The proposal regarding the formulation of the “Market Value Management System for Chifeng Jilong Gold Mining Co., Ltd.”   |
|   |               | Resolution 21 :Proposal on Timely Holding of the 2024 Annual General Meeting of Shareholders   |
| Thirty-sixth Meeting of the Eighth Session of the Board   | 25 April 2025 | Consider and adopt the First Quarter 2025 Report   |
| Thirty-seventh Meeting of the Eighth Session of the Board | 20 May 2025   | The following resolutions were approved:<br><br>Resolution 1 :The proposal regarding the alteration of the Company’s registered capital, the abolition of the Supervisory Committee, and the revision of the Articles of Association and its annexes of Chifeng Jilong Gold Mining Co., Ltd.<br>Resolution 2 :The proposal regarding the revision of the terms of reference of the Audit Committee of the Board of Chifeng Jilong Gold Mining Co., Ltd.<br>Resolution 3 :The proposal regarding the revision of the “Information Disclosure Management System of Chifeng Jilong Gold Mining Co., Ltd.” |

# CORPORATE GOVERNANCE REPORT

| Session  | Date            | Resolution   |
|--|-----------------|--|
| Thirty-eighth Meeting of the Eighth Session of the Board | 30 June 2025    | <p>The following resolutions were approved:</p> <p>Resolution 1 :The proposal regarding the revision of the terms of reference of the Nomination Committee of the Board</p> <p>Resolution 2 :Regarding the proposal to adjust the members of the Nomination Committee of the Board</p>   |
| Thirty-ninth Meeting of the Eighth Session of the Board  | 22 August 2025  | <p>The following resolutions were approved:</p> <p>Resolution 1 : 2025 Interim Report and its summary</p> <p>Resolution 2 :The proposal on amending some of the Company's governance systems</p>   |
| Fourth Meeting of the Eighth Session of the Board        | 10 October 2025 | <p>The following resolutions were approved:</p> <p>Resolution 1 :The proposal regarding the revision of the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd.</p> <p>Resolution 2 :The proposal regarding the nomination of candidates for non-executive Directors of the Ninth Session of the Board of the Company</p> <p>Resolution 3 :The proposal regarding the nomination of candidates for independent Directors of the Ninth Session of the Board of the Company</p> <p>Resolution 4 :The proposal regarding the revision of some of the Company's governance systems</p> <p>Resolution 5 :The proposal regarding the convening of the Company's second extraordinary shareholders' meeting in 2025</p> |

# CORPORATE GOVERNANCE REPORT

| Session  | Date            | Resolution  |
|--|-----------------|---|
| Forty-first Meeting of the Eighth Session of the Board | 24 October 2025 | Approved the Third Quarter 2025 Report of Chifeng Jilong Gold Mining Co., Ltd.  |
| First Meeting of the Ninth Session of the Board        | 31 October 2025 | <p>The following resolutions were approved:</p> <p>Resolution 1 :A proposal to elect the Chairman of the Ninth Session of the Board of the Company</p> <p>Resolution 2 :A proposal to elect the Vice Chairmen of the Ninth Session of the Board of the Company</p> <p>Resolution 3 :A proposal on the election of members of the specialized committees of the Ninth Session of the Board of the Company</p> <p>Resolution 4 :A proposal on the appointment of the Company's Chief Executive Officer</p> <p>Resolution 5 :A proposal on the appointment of the Company's Vice President and Chief Financial Officer</p> <p>Resolution 6 :A proposal on the appointment of the Company's Board Secretary and Company Secretary</p> <p>Resolution 7 :A proposal on the appointment of the Company's securities affairs representative</p> <p>Resolution 8 :A proposal on the appointment of the head of the Company's internal audit department</p> |

# CORPORATE GOVERNANCE REPORT

## V. PERFORMANCE OF DUTIES BY DIRECTORS

### (I) The Attendance of Directors in Board Meetings and General Meetings

Unless otherwise provided in the Articles of Association, a Board meeting shall only be convened when more than half of the Directors are present. Any Director who cannot attend for reasons may entrust another Director in writing to attend on his/her behalf. The power of attorney shall specify the name of the agent, the matters to be represented, the scope of authorization, and the period of validity. However, if Directors have an associated relationship with enterprises involved in issues to be determined in the meeting of the Board of Directors, such Directors shall not exercise the voting power on the resolution or exercise the voting power on behalf of other Directors. Failure by a Director to attend a meeting of the Board or to authorize a representative to attend the meeting on his/her behalf shall be deemed a waiver of the voting right at such meeting. The Board shall file resolutions passed at the meeting as minutes, and minutes shall be signed by the attending Directors and the recorder.

During the Reporting Period, the Board held nine meetings and the Company held three general meetings. No alternates have been appointed for any of the Directors, and the attendance records of each Director at the Board meetings and general meetings held during the Reporting Period are as follows:

| Name of Director  | Whether Independent Director or not | Number of Board Meetings Required Attendance this year | Attendance at Board meetings |                                       |                     |                    | Whether absence from attending in person for two consecutive times | Participation in general meetings |
|---|-------------------------------------|--|------------------------------|---------------------------------------|---------------------|--------------------|--|-----------------------------------|
|   |                                     |  | Attendance in person         | Attendance by means of communications | Attendance by proxy | Number of absences |  |                                   |
| Wang Jianhua  | No                                  | 9  | 9                            | 4                                     | 0                   | 0                  | No   | 3                                 |
| Gao Bo  | No                                  | 9  | 9                            | 8                                     | 0                   | 0                  | No   | 3                                 |
| Yang Yi-fang  | No                                  | 9  | 9                            | 6                                     | 0                   | 0                  | No   | 3                                 |
| Lyu Xiaozhao  | No                                  | 9  | 9                            | 5                                     | 0                   | 0                  | No   | 3                                 |
| Zhao Qiang (note 1)   | No                                  | 1  | 1                            | 0                                     | 0                   | 0                  | No   | 1                                 |
| Zhang Xudong  | No                                  | 9  | 9                            | 7                                     | 0                   | 0                  | No   | 3                                 |
| Wong Yet Ping Ambrose   | Yes                                 | 9  | 9                            | 8                                     | 0                   | 0                  | No   | 3                                 |
| Hu Nailian  | Yes                                 | 9  | 9                            | 7                                     | 0                   | 0                  | No   | 3                                 |
| Li Houmin (note 2)  | Yes                                 | 1  | 1                            | 0                                     | 0                   | 0                  | No   | 1                                 |
| Jiang Qi (note 3)   | Yes                                 | 1  | 1                            | 0                                     | 0                   | 0                  | No   | 1                                 |
| Mao Jingwen   | Yes                                 | 8  | 8                            | 7                                     | 0                   | 0                  | No   | 3                                 |
| Shen Zhengchang   | Yes                                 | 8  | 8                            | 6                                     | 0                   | 0                  | No   | 3                                 |
| Number of Board meetings held during the Reporting Period       |                                     |  | 9                            |                                       |                     |                    |  |                                   |
| Including: Number of on-site meetings                           |                                     |  | 1                            |                                       |                     |                    |  |                                   |
| Number of meetings held by means of telecommunications          |                                     |  | 4                            |                                       |                     |                    |  |                                   |
| Number of meetings held on-site combined with telecommunication |                                     |  | 4                            |                                       |                     |                    |  |                                   |

# CORPORATE GOVERNANCE REPORT

## Notes:

- (1) Mr. Zhao Qiang was appointed as an executive Director at the extraordinary general meeting of the Company held on 31 October 2025.
- (2) Dr. Li Houmin was appointed as an independent non-executive Director at the extraordinary general meeting of the Company held on 31 October 2025.
- (3) Dr. Jiang Qi was appointed as an independent non-executive Director at the extraordinary general meeting of the Company held on 31 October 2025.

## VI. SPECIALIZED COMMITTEES UNDER THE BOARD OF DIRECTORS

### (I) Members of Specialized Committees under the Board

#### Categories of Specialized

#### Committees

#### Name of Members

|                                       |   |
|---------------------------------------|---|
| Audit Committee                       | Wong Yet Ping Ambrose (Chairman and Lead Independent Non-executive Director), Zhang Xudong (non-executive Director), Jiang Qi (independent non-executive Director)  |
| Nomination Committee                  | Li Houmin (Chairman and independent non-executive Director), Gao Bo (executive Director), Yang Yi-fang (executive Director), Wong Yet Ping Ambrose (Lead Independent Non-executive Director), Hu Nailian (independent non-executive Director) |
| Remuneration and Appraisal Committee  | Hu Nailian (Chairman and independent non-executive Director), Gao Bo (executive Director), Lyu Xiaozhao (executive Director), Li Houmin (independent non-executive Director), Jiang Qi (independent non-executive Director)                   |
| Strategy and Sustainability Committee | Wang Jianhua (Chairman and executive Director), Gao Bo (executive Director), Yang Yi-fang (executive Director), Lyu Xiaozhao (executive Director), Zhao Qiang (executive Director), Zhang Xudong (non-executive Director)                     |

# CORPORATE GOVERNANCE REPORT

(II) During the Reporting Period, the Audit Committee held eight meetings.

| Date of meeting | Content of meeting   |
|-----------------|--|
| 26 March 2025   | <ol style="list-style-type: none"> <li>1. Report on the Performance of the Audit Committee in 2024</li> <li>2. Report of the Audit Committee on the Performance of Supervisory Duties by the Accounting Firm in 2024</li> <li>3. 2024 Annual Profit Distribution Plan</li> <li>4. The resolution on the formulation of the “Shareholder Return Plan for the Next Three Years (2025-2027) of Chifeng Jilong Gold Mining Co., Ltd.”</li> <li>5. 2024 Annual Internal Control Evaluation Report</li> <li>6. Special Report on the Deposit and Utilization of Funds Raised in 2024</li> <li>7. 2024 Annual Financial Report</li> <li>8. The resolution on the renewal of the 2025 annual auditing firm contract</li> </ol> |
| 23 April 2025   | <ol style="list-style-type: none"> <li>1. The financial report for the first quarter of 2025</li> </ol>  |
| 20 May 2025     | <ol style="list-style-type: none"> <li>1. The resolution on the revision of the “Working Rules of the Audit Committee of the Board of Chifeng Jilong Gold Mining Co., Ltd.”</li> </ol>   |

# CORPORATE GOVERNANCE REPORT

| <b>Date of meeting</b> | <b>Content of meeting</b>  |
|------------------------|--|
| 22 August 2025         | <ol style="list-style-type: none"> <li>1. 2025 Interim Report</li> <li>2. The resolution on the revision of the “Working Rules of the Audit Committee of the Board of Chifeng Gold”</li> <li>3. Report on the internal audit work of the Company in the first half of the year</li> </ol>  |
| 9 October 2025         | <ol style="list-style-type: none"> <li>1. The resolution on revising the “Management System for Related Party Transactions” of the Company</li> <li>2. The resolution on revising the “Management Measures for External Guarantees” of the Company</li> </ol>  |
| 24 October 2025        | <ol style="list-style-type: none"> <li>1. Chifeng Jilong Gold Mining Co., Ltd. 2025 Third Quarter Report</li> </ol>  |
| 31 October 2025        | <ol style="list-style-type: none"> <li>1. Regarding the proposal for electing the chairperson of the Company's Audit Committee</li> <li>2. The resolution on the appointment of the Company's Chief Financial Officer</li> <li>3. The resolution on the appointment of the head of the Company's internal audit department</li> <li>4. The resolution on the update of the Company's “List of Affiliates”</li> </ol> |
| 23 December 2025       | <ol style="list-style-type: none"> <li>1. The resolution on the renewal of the company's 2026 annual auditing firm</li> <li>2. The resolution on the determination of audit fees for the Company's audit firm in 2025</li> </ol>   |

# CORPORATE GOVERNANCE REPORT

(III) During the Reporting Period, the Nomination Committee held four meetings.

| <b>Date of meeting</b> | <b>Content of meeting</b>  |
|------------------------|--|
| 28 March 2025          | 1. Special Report on the Self-Examination of the Independence of Independent Directors   |
| 30 June 2025           | 1. The resolution on the revision of the "Working Rules of the Nomination Committee"<br>2. The proposal to adjust the members of the Nomination Committee  |
| 9 October 2025         | 1. The resolution on the nomination of candidates for non-executive Directors of the Ninth Session of the Company's Ninth Board<br>2. The resolution on the nomination of candidates for independent Directors to the Ninth Session of the Board of the Company  |
| 31 October 2025        | 1. The resolution on re-electing the chairperson of the Company's Nomination Committee<br>2. The resolution on the appointment of the Chief Executive Officer of the Company<br>3. The resolution on the appointment of the Vice Presidents and Chief Financial Officer<br>4. The resolution on the appointment of the Board Secretary and Company Secretary |

# CORPORATE GOVERNANCE REPORT

(IV) During the Reporting Period, the Remuneration and Appraisal Committee held three meetings.

| <b>Date of meeting</b> | <b>Content of meeting</b>  |
|------------------------|--|
| 21 January 2025        | <ol style="list-style-type: none"> <li>1. The resolution on the determination of the 2024 annual compensation for Directors and senior management</li> <li>2. The resolution on the 2025 compensation plan for Directors and senior management</li> </ol>  |
| 22 August 2025         | <ol style="list-style-type: none"> <li>1. The resolution on the distribution of rewards for executive Directors and senior management</li> <li>2. The resolution on the revision of the "Working Rules of the Remuneration and Appraisal Committee of Chifeng Gold"</li> </ol>   |
| 31 October 2025        | <ol style="list-style-type: none"> <li>1. Regarding the proposal to elect the chairperson of the Remuneration and Appraisal Committee</li> <li>2. The resolution on the determination of the compensation plan for the members of the Ninth Session of the Board of the Company</li> <li>3. The resolution on the determination of the compensation plan for the senior management of the Company</li> </ol> |

(V) During the Reporting Period, the Strategy and Sustainability Committee held four meetings.

| <b>Date of meeting</b> | <b>Content of meeting</b>  |
|------------------------|--|
| 28 March 2025          | <ol style="list-style-type: none"> <li>1. 2024 ESG Report</li> </ol>   |
| 22 August 2025         | <ol style="list-style-type: none"> <li>1. The resolution on amendments to the "Work Rules of the Strategy and Sustainability Committee of Chifeng Gold"</li> </ol> |
| 9 October 2025         | <ol style="list-style-type: none"> <li>1. The resolution on amendments to the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd.</li> </ol>           |
| 31 October 2025        | <ol style="list-style-type: none"> <li>1. The proposal to confirm the chairperson of the Strategy and Sustainability Committee of the Company</li> </ol>           |

# CORPORATE GOVERNANCE REPORT

## (VI) Directors' Attendance Record on Board Committees

No alternates have been appointed for any of the Directors, and the attendance records of the Directors at the Board committee meetings during the Reporting Period are as follows:

| Name  | Meetings attended/Meetings held during the term of office |                      |                                      |                                       |
|---|---|----------------------|--------------------------------------|---------------------------------------|
|   | Audit Committee   | Nomination Committee | Remuneration and Appraisal Committee | Strategy and Sustainability Committee |
| <b>Executive Directors</b>  |   |                      |                                      |                                       |
| Mr. Wang Jianhua  | –   | –                    | –                                    | 4/4                                   |
| Mr. Gao Bo  | –   | 1/1                  | 1/1                                  | 1/1                                   |
| Ms. Yang Yi-fang  | –   | 1/1                  | 2/2                                  | 4/4                                   |
| Mr. Lyu Xiaozhao  | –   | 3/3                  | 1/1                                  | 4/4                                   |
| Mr. Zhao Qiang ( <i>appointed as an executive Director on 31 October 2025</i> )                     | –   | –                    | –                                    | 1/1                                   |
| <b>Non-executive Director</b>   |   |                      |                                      |                                       |
| Mr. Zhang Xudong  | 8/8   | –                    | –                                    | 3/3                                   |
| <b>Independent Non-executive Directors</b>  |   |                      |                                      |                                       |
| Dr. Wong Yet Ping Ambrose   | 8/8   | 4/4                  | –                                    | 3/3                                   |
| Prof. Hu Nailian  | 6/6   | 4/4                  | 3/3                                  | –                                     |
| Dr. Li Houmin ( <i>appointed as an independent non-executive Director on 31 October 2025</i> )      | 1/1   | 1/1                  | –                                    | –                                     |
| Dr. Jiang Qi ( <i>appointed as an independent non-executive Director on 31 October 2025</i> )       | 2/2   | –                    | 1/1                                  | –                                     |
| Dr. Mao Jingwen ( <i>resigned as an independent non-executive Director on 31 October 2025</i> )     | –   | –                    | 2/2                                  | –                                     |
| Dr. Shen Zhengchang ( <i>resigned as an independent non-executive Director on 31 October 2025</i> ) | –   | 3/3                  | 2/2                                  | –                                     |

# CORPORATE GOVERNANCE REPORT

## (VII) Audit Committee

The primary duties of the Audit Committee include, but are not limited to: (i) proposing the appointment or change of external auditors to the Board, and reviewing the qualification, independence and performance of the external auditors; (ii) guiding and assessing internal audit work; (iii) evaluating the performance of the audit function and personnel; (iv) examining the authenticity of financial information of our Company, reviewing financial reports and statements of our Company and giving comments on relevant matters; (v) guiding, reviewing and evaluating the effectiveness of risk management and internal control system; (vi) evaluating whether our Company has any major internal control defaults or deficiencies; (vii) reviewing results of internal investigations and responses from management in relation to any suspected dishonesty, non-compliances, or suspected violations of laws, rules and regulations; (viii) coordinating the communication among management, internal audit department, related departments and external audit agency; and (ix) dealing with other matters as required by applicable laws, regulations and rules, the Articles of Association, terms of reference and applicable securities regulatory authorities, and other matters that are authorized by the Board. Details of the work of the Audit Committee are available on the websites of the Company and HKExnews.

The Audit Committee has reviewed and confirmed the audited consolidated financial statements contained in this annual report and discussed with the management about the Company's financial statements and internal controls. The Audit Committee is of the opinion that the financial statements have been prepared in conformity with applicable accounting standards and regulations and that appropriate disclosures have been made.

The Audit Committee is also aware of the existing risk management and internal control systems of the Group and that such systems will be reviewed on an annual basis.

# CORPORATE GOVERNANCE REPORT

During this year, the work highlights of the Audit Committee include:

- Reviewing and approving the Company's profit distribution plan for the year 2024, and ensuring the legality and compliance of the profit distribution;
- Reviewing the Company's terms of reference of Audit Committee;
- Reviewing the effectiveness of the Company's internal audit function;
- Reviewing the financial statements for the year 2024 and management statements and results announcements issued by external auditors, and ensuring the truthfulness and completeness of the annual financial data disclosed externally;
- Reviewing the Company's 2024 internal control evaluation report and reviewing the effectiveness of internal control;
- Reviewing and agreeing with the re-appointment of the auditor for the year 2025 and determining the relevant audit fees;
- Reviewing the Company's 2025 interim financial statements, statement and results announcement to ensure the truthfulness and completeness of the data in the financial disclosure;
- Reviewing the Company's 2025 Interim Report to ensure the truthfulness and reasonableness of the data in the Interim Report;
- Reviewing the reasonableness of the annual external auditor's annual audit plan and approving the implementation of the audit plan; and
- Inviting the external auditor to meetings to discuss the 2024 Annual Results, the 2025 Interim Results, and review the 2025 quarterly results and 2025 annual report.

# CORPORATE GOVERNANCE REPORT

## (VIII) Nomination Committee

The primary duties of the Nomination Committee include, but are not limited to: (i) reviewing the structure, size, composition (including the skills, knowledge and experience) and diversity of our Board at least once a year with reference to the Company's business activities, scale of assets and shareholding structure, and making recommendations to the Board on any change in Board composition in accordance with the Company's strategies; (ii) making recommendations on the appointment and re-appointment of the Directors and succession planning for Directors (in particular, the Chairperson of the Board and the CEO); (iii) assisting the Board in compiling the Board's skills list and recommending changes to the Board to align with the Company's strategic objectives; (iv) evaluating the independence of the independent non-executive Directors, the performance of the Directors (including both executive and non-executive Directors) and whether the Directors have devoted sufficient time in performing their duties; (v) developing corporate governance standards and procedures and monitoring the implementation of such standards and procedures, and making recommendations to the Board; (vi) formulating and evaluating the Board diversity policy, and making disclosures in the corporate governance report (which shall be included as part of our annual report) the relevant policies, including the nomination procedures adopted by the Nomination Committee and standards for the election of the Board members; (vii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; and (viii) dealing with other matters as required by applicable laws, regulations and rules and the Articles of Association, terms of reference and applicable securities regulatory authorities, and other matters that are authorized by the Board. Details of the work of the Nomination Committee are available on the websites of the Company and HKExnews.

During the Reporting Period, the Nomination Committee mainly performed the following tasks: assessing the suitability of the candidates nominated for the appointment as Directors or senior management of the Company and making recommendations to the Board on the appointment of the aforementioned personnel, and reviewing the composition of the Board in accordance with the requirements of the Board Diversity Policy of the Company.

# CORPORATE GOVERNANCE REPORT

## *Nomination of Directors*

In accordance with the Articles of Association, candidates of Directors shall be nominated or recommended by the existing Board or in the form of proposal by Shareholder(s) individually or in aggregate holding more than 3% of the Shares of the Company (for candidates of Directors), and by Shareholder(s) individually or in aggregate holding more than 1% of the Shares of the Company (for candidates of independent directors). The Nomination Committee shall verify the qualifications and conditions of the candidates of Directors, submit it to the Board for consideration on the appointment of the candidate upon determination, and a written resolution shall be proposed at a general meeting for approval by resolutions passed by the Board. Where an individual is proposed for election as an independent non-executive Director, the Nomination Committee considers and reports on the factors required to be disclosed under the Listing Rules, including the selection process, reasons for nomination, the candidate's independence, expected time commitment, and the skills, perspectives and diversity contributions the individual would bring to the Board.

## (IX) Remuneration and Appraisal Committee

The primary duties of the Remuneration and Appraisal Committee include, but are not limited to: (i) formulating the overall remuneration policy and structure of the Company's Directors and members of the senior management, formulating proper and transparent remuneration procedures, and making suggestions to the Board; (ii) formulating individual remuneration plans for Directors, and members of the senior management in accordance with the terms of reference of the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies; (iii) reviewing and approving remuneration proposals of members of our senior management in accordance with the Company's policies and objectives as approved by the Board from time to time; (iv) urge the Company to sign employment contracts with Directors and senior management. These contracts should clearly define the rights and obligations of both parties, specify the term of office of the personnel, the liabilities for violating laws and regulations and the Articles of Association, the compensation for the Company's early termination of the contract due to certain reasons, as well as the obligations of Directors or senior management after their departure, and the content related to accountability and recovery, etc.; (v) reviewing and approving compensation payable to the executive Directors and members of senior management for loss or termination of office or appointment, so as to ensure that such compensation is consistent with the terms of relevant contracts, and if such compensation is not determined in accordance with the relevant contract terms, compensation should be fair, reasonable and not excessive; (vi) examining the criteria of performance evaluation of Directors and the senior management of the Company, and conducting annual performance evaluation; (vii) supervising the implementation of the remuneration plan of the Company; (viii) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules; and (ix) dealing with other matters as required by laws applicable regulations and rules, the Articles of Association, terms of reference and applicable securities regulatory authorities, and other matters that are authorized by the Board. The Remuneration and Appraisal Committee consults the Chairman and/or CEO about their remuneration proposals for other executive Directors.

# CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2025, the Remuneration and Appraisal Committee has formulated the remuneration policy of Directors, approved the terms in service contracts of Directors, reviewed and/or approved matters relating to share schemes under Chapter 17 of the Listing Rules. Based on the Company's scale and performance, the Remuneration and Appraisal Committee adheres to the principle of distributing rewards according to work and integrating responsibility, authority and rights; giving priority to performance, reflecting the value concept of sharing the Company profits and bearing risks together; takes into account of internal and external fairness for the overall salary level and is adapted to the Company's scale and development stage. It recommends the compensation and performance evaluation plans for executive Directors and senior management to the Board according to the Company's business plan and the responsibilities of the respective departments; the non-executive Director and independent non-executive Directors receive director allowances and do not participate in performance evaluations. The distribution package of bonus for the year is based on assessment on performances of the executive Directors and senior management.

## *Directors' Remuneration Policy*

The Company provided remuneration in the form of salaries, allowances, social security, housing funds, performance bonus and benefits in kind to executive Directors and senior management members; provided remuneration to the non-executive Director; and provided director's fees to the independent non-executive Directors with reference to the industry conditions and the actual situation of the Company's production and operation.

The Company will regularly review its remuneration based on the Company's development and operations and recommend remuneration adjustments where appropriate and seek the Board's endorsement for and Shareholders' approval of any recommended changes.

In accordance with the Code Provision E.1.5 of the Corporate Governance Code, the remunerations of the Directors, the Supervisors and senior management by remuneration band for the year ended 31 December 2025 are set out below:

| <b>No.</b> <i>(Notes)</i> | <b>Remuneration band</b><br><i>(RMB)</i> | <b>Number of persons</b> |
|---------------------------|--|--------------------------|
| 1                         | 0–1,000,000                              | 10                       |
| 2                         | 3,000,001–4,000,000                      | 2                        |
| 3                         | 4,000,001–5,000,000                      | 1                        |
| 4                         | 5,000,001–6,000,000                      | 1                        |
| 5                         | 6,000,001–7,000,000                      | 3                        |
| 6                         | 7,000,001–8,000,000                      | 2                        |

# CORPORATE GOVERNANCE REPORT

*Notes:*

No. 1 includes 7 Directors and 3 Supervisors;

No. 2 includes 1 Director and 1 senior management;

No. 3 includes 1 senior management;

No. 4 includes 1 Director;

No. 5 includes 2 senior management and 1 Director; and

No. 6 includes 2 Directors.

Further details of the remunerations of the Directors and the five highest-paid employees as required to be disclosed under Appendix D2 to the Hong Kong Listing Rules are set out in Note XVI. 3 to the financial statements for the Reporting Period.

**(X) Strategy and Sustainability Committee**

The primary duties of the Strategy and Sustainability Committee include, but are not limited to: (i) conducting extensive research and making recommendations on the long-term strategic development plans of the Company, in particular, to enhance the Company's sustainability in areas of ESG; (ii) conducting research and providing recommendations on major investment and financing proposals that are subject to the approval by the Board in accordance with the Articles of Association; (iii) studying and providing recommendations on major capital and asset operation projects requiring approval from the board of Directors, as specified in the Articles of Association; (iv) studying, assessing, and providing recommendations on key ESG trends, risks, and opportunities that the Company faces (such as climate change, water resource management, health and safety, community relations, etc.); (v) studying, assessing, and providing recommendations on key ESG trends, risks, and opportunities that the Company faces, including setting ESG management performance targets, tracking progress, and offering recommendations for actions needed to meet those objectives); and (vi) dealing with other matters that are crucial to the development of the Company.

## **VII. ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD**

For details, please refer to the 2025 Internal Control Evaluation Report (《2025 年度內部控制評價報告》) of the Company published on the website of the Shanghai Stock Exchange.

# CORPORATE GOVERNANCE REPORT

## VIII. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

As the investor of the affiliated enterprises, in accordance with the laws and regulations of the respective countries or regions where the enterprises are located and the relevant articles of association of the affiliated enterprises, the Company enjoys the rights of shareholders and assumes the obligations of shareholders. By establishing an international operation management system, the Company urges and guides the affiliated enterprises to achieve their strategic goals and continuously enhances their business decision-making and operation management capabilities. The Company respects and safeguards the legal personality of the affiliated enterprises, exercises its shareholder rights in accordance with the laws and regulations applicable to the affiliated enterprises, and fully leverages the Company's advantages to provide consultation and suggestions on relevant matters.

By exercising its shareholder rights in accordance with the law, the Company formulated or participated in establishment of the organisational structure of subsidiaries and appointed core management; at the business level, it established an authorisation and approval system, which clarifies the business scope and approval authority of subsidiaries to implement management control over activities related to the financial reports of subsidiaries and conduct review and supervision for major issues concerning subsidiaries; at the same time, the Company made full use of its initiative and proactivity based on its development targets through empowering and effectively incentivising management of subsidiaries, so as to ensure the Company achieved its overall objectives while subsidiaries accomplished its responsibility goals.

## IX. RELEVANT EXPLANATIONS ON THE AUDIT REPORT OF INTERNAL CONTROL

Ernst & Young Hua Ming LLP, engaged by the Company, conducted an independent audit on the Company's internal control and issued a standard unqualified audit report, as detailed in the "Audit Report on Internal Control (《內部控制審計報告》)" of the Company published on the Shanghai Stock Exchange's website.

Whether the Company had disclosed its internal control audit report: Yes

Type of opinion of the audit report of internal control: standard unqualified opinion

## X. RECTIFICATION OF SELF-INSPECTION PROBLEMS IN THE SPECIAL ACTION ON GOVERNANCE OF LISTED COMPANIES

In compliance with the idea of the "Announcement on Carrying out Special Action on Corporate Governance of Listed Companies" (《關於開展上市公司治理專項行動的公告》) (China Securities Regulatory Commission Announcement 2020 No. 69) and the Corporate Governance Code in the Listing Rules of the Hong Kong Stock Exchange, the Company conducted regular self-examination of corporate governance.

During the Reporting Period, the Company operated in a standardized manner and had a sound governance structure. No material issues were identified during the self-examination process. The Company will continue to implement the spirit of further improving the quality of listed companies, continuously enhance its governance level, and further promote high-quality development.

# CORPORATE GOVERNANCE REPORT

## XI. AUDITOR AND ITS REMUNERATION

Remuneration paid or payable to the Auditor of the Company for the Reporting Period are as follows:

| <b>Services provided</b> | <b>Fee paid<br/>or payable</b><br>RMB'000 |
|--------------------------|---|
| Audit service fee        | 4,609                                     |
| Non-audit service fee    | 400                                       |
| Total                    | 5,009                                     |

## XII. COMPANY SECRETARY

Mr. Wong Hok Bun Mario is a full-time employee of the Company and is familiar with the day-to-day affairs of the Company. He reports to the Chairman and the CEO. Biographical details of Mr. Wong Hok Bun Mario are set out in the section headed "Brief Biography of Directors and Senior Management" of this annual report.

In compliance with Rule 3.29 of the Hong Kong Listing Rules, Mr. Wong Hok Bun Mario has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2025.



ขุดถ้ำใต้ดิน "ดึสโถเวีร"  
DISCOVERY DEEPS DECLINE

UD006

DD421

# AUDITOR'S REPORT

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)



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Ernst & Young Hua Ming (2026) Shen Zi No. 70059664\_A01  
Chifeng Jilong Gold Mining Co., Ltd.

## To the shareholders of Chifeng Jilong Gold Mining Co., Ltd.:

### I. AUDIT OPINION

We have audited the financial statements of Chifeng Jilong Gold Mining Co., Ltd. and its subsidiaries, which comprise the consolidated and company statements of financial position as at 31 December 2025, and the consolidated and company statements of profit or loss, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the financial statements of Chifeng Jilong Gold Mining Co., Ltd. give a true and fair view of, in all material respects, the consolidated and company financial position as at 31 December 2025, and the consolidated and the company financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

### II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing (“CSAs”). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report. We are independent of Chifeng Jilong Gold Mining Co., Ltd. in accordance with China Independence Standard No. 1 - *Independence Requirements for Financial Statement Audit and Review Engagements* and *China Code of Ethics for Certified Public Accountants* (the “Code”), and we have also 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.

### III. KEY AUDIT MATTERS

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

We have conducted the responsibilities described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provided the basis for our audit opinion on the accompanying financial statements.

# AUDITOR'S REPORT

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Ernst & Young Hua Ming (2026) Shen Zi No. 70059664\_A01  
Chifeng Jilong Gold Mining Co., Ltd.

## III. KEY AUDIT MATTERS (CONTINUED)

### Key audit matter:

### How our audit addressed the key audit matter:

#### *Revenue recognition*

For the year ended 31 December 2025, Chifeng Jilong Gold Mining Co., Ltd. realised revenue with the amount of RMB12.64 billion.

Chifeng Jilong Gold Mining Co., Ltd. is principally engaged in the gold and non-ferrous metal mining and integrated resource recycling business, and recognises revenue from the sale of various precious and non-ferrous metals such as gold, copper cathodes and the provision of integrated resource recycling services. Revenue is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which Chifeng Jilong Gold Mining Co., Ltd. expects to be entitled in exchange for those goods or services.

There might be risk of material misstatement of revenue recognition because revenue is one of the key performance indicators of Chifeng Jilong Gold Mining Co., Ltd.

The relevant accounting policy and notes disclosure were included in “Note III, Significant accounting policies and accounting estimates” 22 – Revenue and “Note V, Notes to key items of the consolidated financial statements” 42 – Operating income and operating costs.

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the revenue recognition process.

Among other audit procedures performed, we understood the terms of the sales contracts, checked whether the revenue recognition was based on the terms of the sales contracts, and evaluated the accounting policies of the revenue recognition to be in compliance with the provisions of the Accounting Standards for Business Enterprises. We performed tests of details by examining the supporting documents related to the revenue recognition, which included, amongst others, the sales contracts, the delivery orders, invoices and sales receipts. We understood and analyzed the reasons for the fluctuations of revenue among the periods. In addition, we performed cut-off tests on the revenue to verify whether it was recognised in the correct accounting periods.

We also assessed the adequacy of the disclosures regarding the revenue recognition.

# AUDITOR'S REPORT

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Ernst & Young Hua Ming (2026) Shen Zi No. 70059664\_A01  
Chifeng Jilong Gold Mining Co., Ltd.

## III. KEY AUDIT MATTERS (CONTINUED)

| Key audit matter: | How our audit addressed the key audit matter: |
|-------------------|---|
|-------------------|---|

### *Impairment of fixed assets, construction in progress and intangible assets*

At 31 December 2025, Chifeng Jilong Gold Mining Co., Ltd. held fixed assets with the amount of RMB7.08 billion; construction in progress with the amount of RMB0.78 billion; and intangible assets with the amount of RMB6.29 billion. At 31 December 2025, the aggregate amount of the fixed assets, construction in progress and intangible assets contributed 56.6% of Chifeng Jilong Gold Mining Co., Ltd.'s total assets.

Management is required to review the aforementioned assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Due to the fact that some mines were under technical-upgrade shutdowns and the tailings storage facility of Liaoning Wulong Gold Mining Co., Ltd. ("**Wulong Mining**") reached its closure conditions during the year, management performed an impairment assessment on such asset by determining the recoverable amounts of the cash-generating units ("**CGUs**") that the assets are allocated to. As a result of the impairment assessment, there was an impairment loss of RMB54 million on fixed assets recognised for the year ended 31 December 2025.

Auditing management's impairment assessment of the aforementioned assets was complex due to the significant estimates and judgements of the management involved in the projections of future cash flows, including the mineral reserves, future production plan, future sales volumes, sales prices, production costs and discount rates. These estimates and judgements may be significantly affected by changes in future market or economic conditions.

The accounting policies, significant accounting judgements and accounting estimates, and related financial statement disclosures are described in "Note III, Significant accounting policies and accounting estimates" under 12 - Fixed assets, 13 - Construction in progress, 15 - Intangible assets, 16 - Impairment of assets and 28 - Impairment of non-current assets other than financial assets (excluding goodwill), and "Note V, Notes to key items of the consolidated financial statements" under 11 - Fixed assets, 12 - Construction in progress, 14 - Intangible assets and 52 - Impairment losses on assets.

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the asset impairment assessment process.

Among other audit procedures performed, we understood and evaluated management's identification of CGUs and assessment of impairment indicators, compared the methodology used by Chifeng Jilong Gold Mining Co., Ltd. with the provisions of the Accounting Standards for Business Enterprises and tested the underlying data used in the forecast by examining historical data. We also assessed the significant assumptions used in the calculations, which included, amongst others, reserves, future production plan, future sales volumes, sales prices, production costs and discount rates. In addition, we involved our internal valuation specialists to assist us in assessing the valuation methodologies and the assumptions used, including the discount rates.

We also assessed the adequacy of Chifeng Jilong Gold Mining Co., Ltd.'s disclosures regarding the impairment assessment.

# AUDITOR'S REPORT

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

Ernst & Young Hua Ming (2026) Shen Zi No. 70059664\_A01  
Chifeng Jilong Gold Mining Co., Ltd.

## IV. OTHER INFORMATION

The management of Chifeng Jilong Gold Mining Co., Ltd. is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

## V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of Chifeng Jilong Gold Mining Co., Ltd. is responsible for the preparation of the financial statements that give a true and fair view in accordance with Accounting Standards for Business Enterprises, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing Chifeng Jilong Gold Mining Co., Ltd.'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 management either intends to liquidate Chifeng Jilong Gold Mining Co., Ltd. or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Chifeng Jilong Gold Mining Co., Ltd.'s financial reporting process.

# AUDITOR'S REPORT

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

Ernst & Young Hua Ming (2026) Shen Zi No. 70059664\_A01  
Chifeng Jilong Gold Mining Co., Ltd.

## VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs 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 financial statements.

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

- (1) Identify and assess the risks of material misstatement of the 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.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's 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 Chifeng Jilong Gold Mining Co., Ltd.'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 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 Chifeng Jilong Gold Mining Co., Ltd. to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Chifeng Jilong Gold Mining Co., Ltd. to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

# AUDITOR'S REPORT

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

Ernst & Young Hua Ming (2026) Shen Zi No. 70059664\_A01  
Chifeng Jilong Gold Mining Co., Ltd.

## **VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

We communicate with those charged with governance regarding, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance 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 those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Ernst & Young Hua Ming LLP

*Chinese Certified Public Accountant: HE XIN  
(Engagement partner)*

*Chinese Certified Public Accountant: XU FEI*

Beijing, the People's Republic of China

20 March 2026

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item  | Note V | 31 December 2025         | 31 December 2024  |
|---|--------|--------------------------|-------------------|
| <b>Current assets:</b>                      |        |                          |                   |
| Cash and bank balances                      | 1      | 6,820,720,561.54         | 2,747,442,442.93  |
| Financial assets held for trading           | 2      | 19,231,618.75            | 9,998,984.68      |
| Derivative financial assets                 | 3      | –                        | 5,251,800.00      |
| Trade receivables                           | 4      | 466,577,452.85           | 587,165,738.54    |
| Prepayments                                 | 5      | 126,376,173.62           | 276,484,571.30    |
| Other receivables                           | 6      | 68,390,134.23            | 96,187,623.04     |
| Inventories                                 | 7      | 2,685,277,001.26         | 2,540,318,023.51  |
| Other current assets                        | 8      | 63,977,818.30            | 141,333,280.01    |
| <b>Total current assets</b>                 |        | <b>10,250,550,760.55</b> | 6,404,182,464.01  |
| <b>Non-current assets:</b>                  |        |                          |                   |
| Long-term receivables                       | 9      | –                        | 1,190,808.13      |
| Long-term equity investments                | 10     | 8,770,945.96             | 3,955,645.67      |
| Other equity instrument investment          |        | 10,000,000.00            | –                 |
| Fixed assets                                | 11     | 7,075,444,419.93         | 6,399,516,327.75  |
| Construction in progress                    | 12     | 776,911,092.97           | 677,866,937.65    |
| Right-of-use assets                         | 13     | 183,438,730.03           | 206,797,707.37    |
| Intangible assets                           | 14     | 6,294,132,658.94         | 6,318,994,537.74  |
| Goodwill                                    | 15     | 15,741,599.31            | 41,968,889.08     |
| Long-term deferred expenses                 | 16     | 37,187,973.34            | 350,312.50        |
| Deferred tax assets                         | 17     | 75,121,867.75            | 67,228,646.44     |
| Other non-current assets                    | 18     | 253,470,802.69           | 206,516,336.78    |
| <b>Total non-current assets</b>             |        | <b>14,730,220,090.92</b> | 13,924,386,149.11 |
| <b>Total assets</b>                         |        | <b>24,980,770,851.47</b> | 20,328,568,613.12 |
| <b>Current liabilities:</b>                 |        |                          |                   |
| Short-term borrowings                       | 20     | 707,600,631.31           | 1,108,199,165.67  |
| Financial liabilities held for trading      | 21     | –                        | 707,020,000.00    |
| Trade payables                              | 22     | 854,027,977.68           | 684,571,183.74    |
| Contract liabilities                        | 23     | 48,084,781.82            | 56,598,949.03     |
| Employee benefits payable                   | 24     | 179,150,347.45           | 171,273,575.15    |
| Taxes payable                               | 25     | 1,338,090,221.61         | 698,951,345.10    |
| Other payables                              | 26     | 409,073,379.19           | 225,263,620.79    |
| Non-current liabilities due within one year | 27     | 187,225,340.40           | 398,463,926.07    |
| Other current liabilities                   | 28     | 348,709.56               | 672,771.76        |
| <b>Total current liabilities</b>            |        | <b>3,723,601,389.02</b>  | 4,051,014,537.31  |

The accompanying notes to financial statements form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item  | Note V | 31 December 2025         | 31 December 2024  |
|---|--------|--------------------------|-------------------|
| <b>Non-current liabilities:</b>                   |        |                          |                   |
| Long-term borrowings                              | 29     | 69,617,398.59            | 599,502,985.86    |
| Lease liabilities                                 | 30     | 148,516,989.79           | 179,596,024.47    |
| Long-term payables                                | 31     | 53,096,163.24            | 59,167,832.67     |
| Provisions  | 32     | 1,653,501,445.60         | 1,783,633,263.08  |
| Deferred income                                   | 33     | 5,948,000.91             | 6,838,500.83      |
| Deferred tax liabilities                          | 17     | 2,252,289,493.16         | 2,329,605,255.27  |
| Other non-current liabilities                     | 34     | 563,555,634.09           | 596,094,797.55    |
| <b>Total non-current liabilities</b>              |        | <b>4,746,525,125.38</b>  | 5,554,438,659.73  |
| <b>Total liabilities</b>                          |        | <b>8,470,126,514.40</b>  | 9,605,453,197.04  |
| <b>Shareholders' equity:</b>                      |        |                          |                   |
| Share capital                                     | 35     | 1,900,411,178.00         | 1,663,911,378.00  |
| Capital reserve                                   | 36     | 3,263,330,952.74         | 626,736,519.64    |
| Less: Treasury shares                             | 37     | 220,015,940.99           | 220,015,940.99    |
| Other comprehensive (loss)/income                 | 38     | (3,960,215.70)           | 145,710,300.63    |
| Special reserve                                   | 39     | –                        | 3,347,876.91      |
| Surplus reserve                                   | 40     | 269,782,850.97           | 269,782,850.97    |
| Retained earnings                                 | 41     | 8,205,640,053.21         | 5,427,338,050.01  |
| Equity attributable to shareholders of the parent |        | 13,415,188,878.23        | 7,916,811,035.17  |
| Non-controlling interests                         |        | 3,095,455,458.84         | 2,806,304,380.91  |
| <b>Total shareholders' equity</b>                 |        | <b>16,510,644,337.07</b> | 10,723,115,416.08 |
| <b>Total liabilities and shareholders' equity</b> |        | <b>24,980,770,851.47</b> | 20,328,568,613.12 |

The financial statements were signed by:

Legal representative:  
**Mr. Wang Jianhua**

Principal in charge of accounting:  
**Mr. Wong Hok Bun Mario**

Head of accounting department:  
**Ms. Guo Zhenzhen**

The accompanying notes to financial statements form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item   | Note V | 2025                     | 2024             |
|--|--------|--------------------------|------------------|
| Operating income   | 42     | <b>12,638,506,229.12</b> | 9,025,821,822.22 |
| Less: Operating costs                                    | 42     | <b>6,008,408,689.62</b>  | 5,068,770,478.41 |
| Taxes and surcharges                                     | 43     | <b>726,881,645.95</b>    | 473,039,848.61   |
| Selling expenses   | 44     | <b>252,666.85</b>        | 348,745.14       |
| Administrative expenses                                  | 45     | <b>584,210,837.63</b>    | 492,286,721.36   |
| Research and development expenses                        | 46     | <b>117,241,958.61</b>    | 63,615,898.70    |
| Financial expenses                                       | 47     | <b>48,227,376.68</b>     | 155,363,874.45   |
| Including: Interest expenses                             |        | <b>102,888,053.18</b>    | 208,992,302.95   |
| Interest income  |        | <b>86,262,030.66</b>     | 38,389,697.15    |
| Add: Other income  | 48     | <b>3,641,027.34</b>      | 2,649,096.76     |
| Investment (losses)/income                               | 49     | <b>(79,794,105.82)</b>   | 78,893,850.40    |
| Including: Share of (losses)/profits<br>of associates    |        | <b>(281,499.71)</b>      | 7,194,112.43     |
| Gains/(Losses) on changes in fair value                  | 50     | <b>112,244,504.91</b>    | (26,345,013.94)  |
| Credit impairment (losses)/reversal                      | 51     | <b>(2,132,812.89)</b>    | 1,666,368.75     |
| Impairment losses on assets                              | 52     | <b>(224,588,719.10)</b>  | (4,897,057.61)   |
| Gains/(Losses) on disposal of non-current assets         | 53     | <b>485,274.72</b>        | (51,568.59)      |
| Operating profit   |        | <b>4,963,138,222.94</b>  | 2,824,311,931.32 |
| Add: Non-operating income                                | 54     | <b>403,196.14</b>        | 1,035,053.08     |
| Less: Non-operating expenses                             | 55     | <b>37,669,929.59</b>     | 5,944,891.02     |
| Profit before tax  |        | <b>4,925,871,489.49</b>  | 2,819,402,093.38 |
| Less: Income tax expenses                                | 56     | <b>1,478,483,521.99</b>  | 833,437,504.30   |
| Net profit   |        | <b>3,447,387,967.50</b>  | 1,985,964,589.08 |
| Classification according to the continuity of operations |        |                          |                  |
| Net profit from continuing operations                    |        | <b>3,447,387,967.50</b>  | 1,985,964,589.08 |
| Attributable to:   |        |                          |                  |
| Shareholders of the parent                               |        | <b>3,082,367,791.68</b>  | 1,764,339,650.99 |
| Non-controlling interests                                |        | <b>365,020,175.82</b>    | 221,624,938.09   |

The accompanying notes to financial statements form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item  | Note V | 2025                    | 2024             |
|---|--------|-------------------------|------------------|
| Other comprehensive (loss)/income, net of tax   | 38     | <b>(197,493,708.86)</b> | 108,863,230.64   |
| Other comprehensive (loss)/income attributable to shareholders of the parent, net of tax                |        | <b>(149,670,516.33)</b> | 81,001,811.86    |
| Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods      |        | <b>(149,670,516.33)</b> | 81,001,811.86    |
| Exchange differences arising from translation of financial statements denominated in foreign currencies |        | <b>(149,670,516.33)</b> | 81,001,811.86    |
| Other comprehensive (loss)/income attributable to non-controlling interests, net of tax                 |        | <b>(47,823,192.53)</b>  | 27,861,418.78    |
| Total comprehensive income  |        | <b>3,249,894,258.64</b> | 2,094,827,819.72 |
| Attributable to:  |        |                         |                  |
| Shareholders of the parent  |        | <b>2,932,697,275.35</b> | 1,845,341,462.85 |
| Non-controlling interests   |        | <b>317,196,983.29</b>   | 249,486,356.87   |
| Earnings per share  |        |                         |                  |
| Basic earnings per share (RMB/share)  | 61     | <b>1.69</b>             | 1.07             |
| Diluted earnings per share (RMB/share)  | 61     | <b>1.69</b>             | 1.07             |

The accompanying notes to financial statements form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item   | Note V | 2025               | 2024             |
|--|--------|--------------------|------------------|
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |        |                    |                  |
| Cash receipts from sale of goods and rendering of services   |        | 12,955,784,150.22  | 9,216,318,796.66 |
| Cash receipts from tax refunds   |        | 146,182,829.81     | 88,240,742.59    |
| Other cash receipts relating to operating activities   | 57     | 138,207,666.31     | 195,650,606.24   |
| Subtotal of cash inflows from operating activities   |        | 13,240,174,646.34  | 9,500,210,145.49 |
| Cash payments for goods purchased and services received  |        | 4,484,291,191.00   | 3,513,974,556.09 |
| Cash payments to and on behalf of employees  |        | 1,177,549,900.51   | 1,090,765,888.02 |
| Payments of various types of taxes and surcharges  |        | 1,820,538,407.02   | 1,223,020,706.50 |
| Other cash payments relating to operating activities   | 57     | 202,205,860.31     | 403,968,335.18   |
| Subtotal of cash outflows from operating activities  |        | 7,684,585,358.84   | 6,231,729,485.79 |
| Net cash flows from operating activities   | 58     | 5,555,589,287.50   | 3,268,480,659.70 |
| <b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |        |                    |                  |
| Cash receipts from disposals and recovery of investments   |        | 3,063,033,459.73   | 502,748,255.11   |
| Cash receipts from investment income   |        | 3,995,793.26       | 62,938.52        |
| Net cash receipts from disposals of fixed assets, intangible assets and other non-current assets           |        | 437,462.58         | 226,091.67       |
| Other cash receipts relating to investing activities   | 57     | 268,824,922.12     | 353,934,999.93   |
| Subtotal of cash inflows from investing activities   |        | 3,336,291,637.69   | 856,972,285.23   |
| Cash payments for purchase or construction of fixed assets, intangible assets and other non-current assets |        | 2,327,035,602.77   | 1,519,862,195.26 |
| Cash payments for investments  |        | 3,153,964,692.03   | 51,908,901.00    |
| Net cash payments for acquisitions of subsidiaries   | 58     | 90,816,054.13      | 75,887,444.20    |
| Other cash payments relating to investing activities   | 57     | 74,876,605.82      | 167,724,898.98   |
| Subtotal of cash outflows from investing activities  |        | 5,646,692,954.75   | 1,815,383,439.44 |
| Net cash flows used in investing activities  |        | (2,310,401,317.06) | (958,411,154.21) |

The accompanying notes to financial statements form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item   | Note V | 2025             | 2024               |
|--|--------|------------------|--------------------|
| <b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |        |                  |                    |
| Cash receipts from capital contributions   |        | 2,921,078,842.60 | 166,600,000.00     |
| Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries        |        | –                | 166,600,000.00     |
| Cash receipts from borrowings  |        | 1,404,810,500.00 | 1,381,090,945.78   |
| Other cash receipts relating to financing activities   | 57     | 528,087,926.77   | 1,128,381,442.99   |
| Subtotal of cash inflows from financing activities   |        | 4,853,977,269.37 | 2,676,072,388.77   |
| Cash repayments of borrowings  |        | 2,524,113,340.00 | 1,901,702,772.54   |
| Cash payments for distribution of dividends or profits or settlement of interest expenses                    |        | 395,541,589.64   | 266,343,820.79     |
| Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries |        | 43,220,400.00    | –                  |
| Other cash payments relating to financing activities   | 57     | 961,979,679.50   | 1,605,490,043.92   |
| Subtotal of cash outflows from financing activities  |        | 3,881,634,609.14 | 3,773,536,637.25   |
| Net cash flows from/(used in) financing activities   |        | 972,342,660.23   | (1,097,464,248.48) |
| <b>IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>                              |        |                  |                    |
|  |        | (31,720,068.87)  | 29,658,980.07      |
| <b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>  |        |                  |                    |
|  | 58     | 4,185,810,561.80 | 1,242,264,237.08   |
| Add: Opening balance of cash and cash equivalents  | 58     | 2,516,898,967.10 | 1,274,634,730.02   |
| <b>VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>  |        |                  |                    |
|  | 58     | 6,702,709,528.90 | 2,516,898,967.10   |

The accompanying notes to financial statements form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item   | For the year ended 31 December 2025        |                  |                 |                                   |                 |                 |                   |                   |                           |                   |
|--|--|------------------|-----------------|-----------------------------------|-----------------|-----------------|-------------------|-------------------|---------------------------|-------------------|
|  | Attributable to shareholders of the parent |                  |                 |                                   |                 |                 |                   |                   |                           |                   |
|  | Share capital                              | Capital reserve  | Treasury shares | Less: comprehensive income/(loss) | Special reserve | Surplus reserve | Retained earnings | Sub-total         | Non-controlling interests | Total equity      |
| <b>I. Opening balance of the current year</b>              | 1,663,911,378.00                           | 626,736,519.64   | 220,015,940.99  | 145,710,300.63                    | 3,347,876.91    | 269,782,850.97  | 5,427,338,050.01  | 7,916,811,035.17  | 2,806,304,380.91          | 10,723,115,416.08 |
| <b>II. Changes for the year</b>                            | 236,499,800.00                             | 2,636,594,433.10 | -               | (149,670,516.33)                  | (3,347,876.91)  | -               | 2,778,302,003.20  | 5,498,377,843.06  | 289,151,077.93            | 5,787,528,920.99  |
| (i) Total comprehensive income                             | -  | -                | -               | (149,670,516.33)                  | -               | -               | 3,082,367,791.68  | 2,932,687,275.35  | 317,196,983.29            | 3,249,884,258.64  |
| (ii) Shareholders' contributions and reductions in capital | 236,499,800.00                             | 2,636,594,433.10 | -               | -                                 | -               | -               | -                 | 2,873,094,233.10  | 15,174,494.64             | 2,888,268,727.74  |
| 1. Capital contributed by shareholders                     | 236,499,800.00                             | 2,636,594,433.10 | -               | -                                 | -               | -               | -                 | 2,873,094,233.10  | -                         | 2,873,094,233.10  |
| 2. Acquisition of subsidiaries                             | -  | -                | -               | -                                 | -               | -               | -                 | -                 | 15,174,494.64             | 15,174,494.64     |
| (iii) Profit distributions                                 | -  | -                | -               | -                                 | -               | -               | (304,065,788.48)  | (304,065,788.48)  | (43,220,400.00)           | (347,286,188.48)  |
| 1. Distributions to shareholders                           | -  | -                | -               | -                                 | -               | -               | (304,065,788.48)  | (304,065,788.48)  | (43,220,400.00)           | (347,286,188.48)  |
| (iv) Special reserve                                       | -  | -                | -               | -                                 | (3,347,876.91)  | -               | -                 | (3,347,876.91)    | -                         | (3,347,876.91)    |
| 1. Provision in the current year                           | -  | -                | -               | -                                 | 47,571,580.60   | -               | -                 | 47,571,580.60     | 1,800,597.15              | 49,372,177.75     |
| 2. Amount utilised in the current year                     | -  | -                | -               | -                                 | (50,919,457.51) | -               | -                 | (50,919,457.51)   | (1,800,597.15)            | (52,720,054.66)   |
| <b>III. Closing balance of the current year</b>            | 1,900,411,178.00                           | 3,263,330,952.74 | 220,015,940.99  | (3,960,215.70)                    | -               | 269,782,850.97  | 8,205,640,053.21  | 13,415,188,878.23 | 3,095,455,458.84          | 16,510,644,337.07 |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item   | For the year ended 31 December 2024 |                  |                  |                                  |                 |                 |                   |                  |                           |                   | Total equity |
|--|-------------------------------------|------------------|------------------|----------------------------------|-----------------|-----------------|-------------------|------------------|---------------------------|-------------------|--------------|
|  | Share capital                       | Capital reserve  | Treasury shares  | Less: Other comprehensive income | Special reserve | Surplus reserve | Retained earnings | Sub-total        | Non-controlling interests |                   |              |
| <b>I. Opening balance of the current year</b>              | 1,663,911,378.00                    | 927,523,563.85   | 520,802,985.20   | 64,708,488.77                    | 1,431,986.36    | 203,724,471.82  | 3,811,493,217.07  | 6,151,990,120.67 | 2,390,218,024.04          | 8,542,208,144.71  |              |
| <b>II. Changes for the year</b>                            | -                                   | (300,787,044.21) | (300,787,044.21) | 81,001,811.86                    | 1,915,890.55    | 66,058,379.15   | 1,615,844,832.94  | 1,764,820,914.50 | 416,086,356.87            | 2,180,907,271.37  |              |
| (I) Total comprehensive income                             | -                                   | -                | -                | 81,001,811.86                    | -               | -               | 1,764,339,650.99  | 1,845,341,482.85 | 249,486,356.87            | 2,094,827,819.72  |              |
| (II) Shareholders' contributions and reductions in capital | -                                   | -                | -                | -                                | -               | -               | -                 | -                | 166,600,000.00            | 166,600,000.00    |              |
| 1. Capital contributed by shareholders                     | -                                   | -                | -                | -                                | -               | -               | -                 | -                | 166,600,000.00            | 166,600,000.00    |              |
| (III) Profit distributions                                 | -                                   | -                | -                | -                                | -               | 66,058,379.15   | (148,494,818.05)  | (82,436,438.90)  | -                         | (82,436,438.90)   |              |
| 1. Appropriation to surplus reserve                        | -                                   | -                | -                | -                                | -               | 66,058,379.15   | (66,058,379.15)   | -                | -                         | -                 |              |
| 2. Distributions to shareholders                           | -                                   | -                | -                | -                                | -               | -               | (82,436,438.90)   | (82,436,438.90)  | -                         | (82,436,438.90)   |              |
| (IV) Special reserve                                       | -                                   | -                | -                | -                                | 1,915,890.55    | -               | -                 | 1,915,890.55     | -                         | 1,915,890.55      |              |
| 1. Provision in the current year                           | -                                   | -                | -                | -                                | 34,707,661.55   | -               | -                 | 34,707,661.55    | 1,442,823.20              | 36,150,484.75     |              |
| 2. Amount utilised in the current year                     | -                                   | -                | -                | -                                | (32,791,771.00) | -               | -                 | (32,791,771.00)  | (1,442,823.20)            | (34,234,594.20)   |              |
| (V) Others   | -                                   | (300,787,044.21) | (300,787,044.21) | -                                | -               | -               | -                 | -                | -                         | -                 |              |
| 1. Exercise of the employee stock ownership plans          | -                                   | (300,787,044.21) | (300,787,044.21) | -                                | -               | -               | -                 | -                | -                         | -                 |              |
| <b>III. Closing balance of the current year</b>            | 1,663,911,378.00                    | 626,736,519.64   | 220,015,940.99   | 145,710,300.63                   | 3,347,876.91    | 289,782,850.97  | 5,427,338,050.01  | 7,916,811,035.17 | 2,806,304,380.91          | 10,723,115,416.08 |              |

The accompanying notes to financial statements form an integral part of these financial statements.

# COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item                               | Note XVII | 31 December 2025        | 31 December 2024 |
|------------------------------------|-----------|-------------------------|------------------|
| <b>Current assets:</b>             |           |                         |                  |
| Cash and bank balances             |           | 2,279,164,166.23        | 286,244,649.58   |
| Prepayments                        |           | –                       | 14,820.00        |
| Other receivables                  | 1         | 1,146,785,248.46        | 1,218,723,453.00 |
| Other current assets               |           | –                       | 21,040,455.87    |
| <b>Total current assets</b>        |           | <b>3,425,949,414.69</b> | 1,526,023,378.45 |
| <b>Non-current assets:</b>         |           |                         |                  |
| Long-term equity investments       | 2         | 6,391,389,839.44        | 6,391,564,080.55 |
| Other equity instrument investment |           | 10,000,000.00           | –                |
| Fixed assets                       |           | 3,253,640.95            | 2,559,970.88     |
| Right-of-use assets                |           | 3,992,906.04            | –                |
| Intangible assets                  |           | 2,913,410.96            | 2,120,205.94     |
| <b>Total non-current assets</b>    |           | <b>6,411,549,797.39</b> | 6,396,244,257.37 |
| <b>Total assets</b>                |           | <b>9,837,499,212.08</b> | 7,922,267,635.82 |

# COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item  | Note XVII | 31 December 2025        | 31 December 2024 |
|---|-----------|-------------------------|------------------|
| <b>Current liabilities:</b>                       |           |                         |                  |
| Short-term borrowings                             |           | 250,213,640.96          | 518,862,162.49   |
| Employee benefits payable                         |           | 19,672,201.39           | 8,325,897.86     |
| Taxes payable                                     |           | 1,155,204.00            | 709,134.57       |
| Other payables                                    |           | 735,963,592.33          | 653,686,794.39   |
| Non-current liabilities due within one year       |           | 104,861,958.56          | 170,324,567.64   |
| <b>Total current liabilities</b>                  |           | <b>1,111,866,597.24</b> | 1,351,908,556.95 |
| <b>Non-current liabilities:</b>                   |           |                         |                  |
| Long-term borrowings                              |           | 69,617,398.59           | 433,882,239.22   |
| <b>Total non-current liabilities</b>              |           | <b>69,617,398.59</b>    | 433,882,239.22   |
| <b>Total liabilities</b>                          |           | <b>1,181,483,995.83</b> | 1,785,790,796.17 |
| <b>Shareholders' equity:</b>                      |           |                         |                  |
| Share capital                                     |           | 1,900,411,178.00        | 1,663,911,378.00 |
| Capital reserve                                   |           | 4,685,348,808.85        | 2,048,754,375.75 |
| Less: Treasury shares                             |           | 220,015,940.99          | 220,015,940.99   |
| Surplus reserve                                   |           | 287,802,710.23          | 287,802,710.23   |
| Retained earnings                                 |           | 2,002,468,460.16        | 2,356,024,316.66 |
| <b>Total shareholders' equity</b>                 |           | <b>8,656,015,216.25</b> | 6,136,476,839.65 |
| <b>Total liabilities and shareholders' equity</b> |           | <b>9,837,499,212.08</b> | 7,922,267,635.82 |

The accompanying notes to financial statements form an integral part of these financial statements.

# COMPANY STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item  | Note XVII | 2025                   | 2024                  |
|---|-----------|------------------------|-----------------------|
| Operating income  | 3         | 81,441,505.00          | 65,830,976.43         |
| Less: Operating costs                                     | 3         | –                      | –                     |
| Taxes and surcharges                                      |           | 188,482.17             | 119,078.74            |
| Administrative expenses                                   |           | 84,111,282.62          | 49,057,539.29         |
| Financial expenses  |           | 48,084,206.79          | 16,082,547.91         |
| Including: Interest expenses                              |           | 27,729,492.16          | 29,449,318.09         |
| Interest income   |           | 51,603,080.41          | 7,636,741.44          |
| Add: Other income   |           | 154,953.32             | 957,809.80            |
| Investment income   | 4         | 4,070,495.72           | 659,337,082.51        |
| Including: Share of losses of associates                  |           | (174,241.11)           | (126,685.51)          |
| Credit impairment reversal                                |           | –                      | 11,088.76             |
| Gains on disposal of non-current assets                   |           | 8,217.15               | –                     |
| Operating (losses)/profit                                 |           | (46,708,800.39)        | 660,877,791.56        |
| Add: Non-operating income                                 |           | 2,000.49               | 6,000.00              |
| Less: Non-operating expenses                              |           | 2,783,268.12           | 300,000.00            |
| (Losses)/Profit before tax                                |           | (49,490,068.02)        | 660,583,791.56        |
| Less: Income tax expenses                                 |           | –                      | –                     |
| Net (losses)/profit                                       |           | (49,490,068.02)        | 660,583,791.56        |
| Including: Net (losses)/profit from continuing operations |           | (49,490,068.02)        | 660,583,791.56        |
| Other comprehensive income, net of tax                    |           | –                      | –                     |
| <b>Total comprehensive (losses)/income</b>                |           | <b>(49,490,068.02)</b> | <b>660,583,791.56</b> |

The accompanying notes to financial statements form an integral part of these financial statements.

# COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item   | 2025             | 2024           |
|--|------------------|----------------|
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                  |                |
| Other cash receipts relating to operating activities   | 239,006,887.21   | 274,078,560.91 |
| Subtotal of cash inflows from operating activities   | 239,006,887.21   | 274,078,560.91 |
| Cash payments to and on behalf of employees  | 33,540,788.84    | 28,931,170.38  |
| Payments of various types of taxes and surcharges  | 362,484.34       | 396,728.06     |
| Other cash payments relating to operating activities   | 280,697,638.86   | 126,376,166.03 |
| Subtotal of cash outflows from operating activities  | 314,600,912.04   | 155,704,064.47 |
| Net cash flows (used in)/from operating activities   | (75,594,024.83)  | 118,374,496.44 |
| <b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                  |                |
| Cash receipts from disposals and recovery of investments   | 1,420,362,934.98 | 50,000,000.00  |
| Cash receipts from investment income   | 663,995,793.26   | 651,492,286.82 |
| Net cash receipts from disposals of fixed assets, intangible assets and other non-current assets           | 420,667.89       | -              |
| Other cash receipts relating to investing activities   | 563,322,502.27   | 139,566,818.77 |
| Subtotal of cash inflows from investing activities   | 2,648,101,898.40 | 841,059,105.59 |
| Cash payments for purchase or construction of fixed assets, intangible assets and other non-current assets | 2,660,621.16     | 1,500,090.08   |
| Cash payments for investments  | 1,432,449,300.00 | 223,400,001.00 |
| Net cash payments for acquisitions of subsidiaries   | 36,341,116.25    | 8,156,940.00   |
| Other cash payments relating to investing activities   | 1,090,486,583.43 | 105,000,000.00 |
| Subtotal of cash outflows from investing activities  | 2,561,937,620.84 | 338,057,031.08 |
| Net cash flows from investing activities   | 86,164,277.56    | 503,002,074.51 |

The accompanying notes to financial statements form an integral part of these financial statements.

# COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

| Item  | 2025                    | 2024             |
|---|-------------------------|------------------|
| <b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>                               |                         |                  |
| Cash receipts from capital contributions  | 2,921,078,842.60        | –                |
| Cash receipts from borrowings   | 607,982,900.00          | 518,500,000.00   |
| Other cash receipts relating to financing activities                            | 261,233,617.49          | 63,974,181.00    |
| Subtotal of cash inflows from financing activities                              | 3,790,295,360.09        | 582,474,181.00   |
| Cash repayments of borrowings   | 1,315,281,050.00        | 873,440,000.00   |
| Cash paid for distribution of dividends or profits and interest expenses        | 324,789,829.41          | 149,214,398.88   |
| Other cash payments relating to financing activities                            | 101,089,060.10          | 135,856,224.55   |
| Subtotal of cash outflows from financing activities                             | 1,741,159,939.51        | 1,158,510,623.43 |
| Net cash flows from/(used in) financing activities                              | 2,049,135,420.58        | (576,036,442.43) |
| <b>IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b> | <b>(56,260,818.22)</b>  | 174,028.65       |
| <b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                             | <b>2,003,444,855.09</b> | 45,514,157.17    |
| Add: Opening balance of cash and cash equivalents                               | 275,719,311.14          | 230,205,153.97   |
| <b>VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>                         | <b>2,279,164,166.23</b> | 275,719,311.14   |

The accompanying notes to financial statements form an integral part of these financial statements.

# COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## For the year ended 31 December 2025

| Item   | Less:            |                  |                 |                 |                   | Total equity     |
|--|------------------|------------------|-----------------|-----------------|-------------------|------------------|
|  | Share capital    | Capital reserve  | Treasury shares | Surplus reserve | Retained earnings |                  |
| <b>I. Opening balance of the current year</b>              | 1,663,911,378.00 | 2,048,754,375.75 | 220,015,940.99  | 287,802,710.23  | 2,356,024,316.66  | 6,136,476,839.65 |
| <b>II. Changes for the year</b>                            | 236,499,800.00   | 2,636,594,433.10 | -               | -               | (353,555,856.50)  | 2,519,538,376.60 |
| (i) Total comprehensive losses                             | -                | -                | -               | -               | (49,490,068.02)   | (49,490,068.02)  |
| (ii) Shareholders' contributions and reductions in capital | 236,499,800.00   | 2,636,594,433.10 | -               | -               | -                 | 2,873,094,233.10 |
| 1. Capital contributed by shareholders                     | 236,499,800.00   | 2,636,594,433.10 | -               | -               | -                 | 2,873,094,233.10 |
| (iii) Profit distributions                                 | -                | -                | -               | -               | (304,065,788.48)  | (304,065,788.48) |
| 1. Distributions to shareholders                           | -                | -                | -               | -               | (304,065,788.48)  | (304,065,788.48) |
| <b>III. Closing balance of the current year</b>            | 1,900,411,178.00 | 4,685,348,808.85 | 220,015,940.99  | 287,802,710.23  | 2,002,468,460.16  | 8,656,015,216.25 |

## For the year ended 31 December 2024

| Item  | Less:            |                  |                  |                 |                   | Total equity     |
|---|------------------|------------------|------------------|-----------------|-------------------|------------------|
|   | Share capital    | Capital reserve  | Treasury shares  | Surplus reserve | Retained earnings |                  |
| <b>I. Opening balance of the current year</b>     | 1,663,911,378.00 | 2,349,541,419.96 | 520,802,985.20   | 221,744,331.08  | 1,843,935,343.15  | 5,558,329,486.99 |
| <b>II. Changes for the year</b>                   | -                | (300,787,044.21) | (300,787,044.21) | 66,058,379.15   | 512,088,973.51    | 578,147,352.66   |
| (i) Total comprehensive losses                    | -                | -                | -                | -               | 660,583,791.56    | 660,583,791.56   |
| (ii) Profit distributions                         | -                | -                | -                | 66,058,379.15   | (148,494,818.05)  | (82,436,438.90)  |
| 1. Appropriation to surplus reserve               | -                | -                | -                | 66,058,379.15   | (66,058,379.15)   | -                |
| 2. Distributions to shareholders                  | -                | -                | -                | -               | (82,436,438.90)   | (82,436,438.90)  |
| (iii) Others                                      | -                | (300,787,044.21) | (300,787,044.21) | -               | -                 | -                |
| 1. Exercise of the employee stock ownership plans | -                | (300,787,044.21) | (300,787,044.21) | -               | -                 | -                |
| <b>III. Closing balance of the current year</b>   | 1,663,911,378.00 | 2,048,754,375.75 | 220,015,940.99   | 287,802,710.23  | 2,356,024,316.66  | 6,136,476,839.65 |

The accompanying notes to financial statements form an integral part of these financial statements.

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

## I. GENERAL INFORMATION

Chifeng Jilong Gold Mining Co., Ltd. (the “Company”) was formerly known as Guangzhou Baolong Special Vehicle Co., Ltd. (“Oriental Baolong”). The Company is a joint stock company with limited liability incorporated in the PRC. In August 2010, Oriental Baolong changed its name to Guangdong Oriental Brothers Investment Co., Ltd. (“Oriental Brothers”).

On 23 November 2012, CSRC approved the issuance of 183,664,501 shares of RMB ordinary shares (A shares) by Oriental Brothers to purchase 100.00% of equity assets of Chifeng Jilong Mining Co., Ltd. held by Zhao Meiguang, Zhao Guixiang, Zhao Guiyuan, Liu Yongfeng, Ren Yiguo, Ma Li, Li Xiaohui and Meng Qingguo in accordance with the Reply on Approval of Significant Asset Restructuring and Issuance of Shares to Zhao Meiguang and Others by Guangdong Oriental Brothers Investment Co., Ltd. to Purchase Assets (Zheng Jian Xu Ke [2012] No.1569).

On 3 December 2012, Oriental Brothers completed the registration procedures for the issuance of 183,664,501 shares of RMB ordinary shares to eight natural persons, including Zhao Meiguang, at the China Securities Depository and Clearing Corporation Limited Shanghai Branch (“CSDC Shanghai Branch”), and the total number of share capital after the change is 283,302,301 shares. On 5 December 2012, Oriental Brothers completed the industrial and commercial registration of changes to increase its registered capital at the Guangzhou Industrial and Commercial Bureau. The total share capital of Oriental Brothers increased from RMB99,637,800.00 to RMB283,302,301.00.

On 24 December 2012, as approved by the Administrative Bureau for Industry and Commerce of Inner Mongolia Autonomous Region, the address of Oriental Brothers was changed to Fumin Village, Sidaowanzi Town, Aohan Banner, Chifeng City, and its name was changed to Chifeng Jilong Gold Mining Co., Ltd. The scope of business was changed to sales of gold mineral products and investment and management of mining.

On 28 April 2014, the Company deliberated and approved the Board of Directors’ proposal on the 2013 profit distribution plan at the 2013 annual general meeting. Based on the total share capital of the Company of 283,302,301 shares as of 31 December 2013, the capital reserve was transferred to all shareholders by 10 shares for every 10 shares, and the total share capital after the change was RMB566,604,602.00.

On 22 May 2014, the Company completed the industrial and commercial registration of changes of increasing the registered capital and changing the business scope at the Industrial and Commercial Bureau of Inner Mongolia Autonomous Region, and its registered capital was changed to RMB566,604,602.00, and the business scope was changed to “sales of gold mineral products, investment and management of mining and other industries in which the state allows to invest.”

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## I. GENERAL INFORMATION (CONTINUED)

On 28 January 2015, CSRC issued the Reply on Approval of Issuance of Shares to Tan Xiongyu and Others by Chifeng Jilong Gold Mining Co., Ltd. to Purchase Assets and Raise Funds (Zheng Jian Xu Ke [2015] No.134), which approved the issuance of 114,016,786 shares by the Company to Tan Xiongyu and others to purchase assets and the non-public offering of not more than 41,925,465 new shares to raise funds for the purchase.

On 12 February 2015, the Company completed the share registration procedures for the issuance of a total of 114,016,786 shares to Tan Xiongyu and others for the purchase of assets at CSDC Shanghai Branch, and the total number of shares after the change was 680,621,388 shares.

On 18 March 2015, the Company completed the share registration procedures for the issuance of a total of 32,569,360 shares to Shenzhen Qianhai Qilin Xinlong Investment Company (LP) and China Merchants Fund Management to raise funds at the CSDC Shanghai Branch, and the total number of shares after the change was 713,190,748 shares.

On 17 June 2015, the Company completed the industrial and commercial registration of changes of increasing the registered capital at the Administrative Bureau for Industry and Commerce of Inner Mongolia Autonomous Region and its registered capital was changed to RMB713,190,748.00.

On 11 October 2017, the Company deliberated and approved the 2017 interim profit distribution plan at the first 2017 extraordinary general meeting, and transferred 10 shares for every 10 shares from capital reserve to all shareholders on the basis of the total share capital of the Company at the share registration day when the distribution plan was implemented, for a total transfer of 713,190,748 shares, increasing the total share capital of the Company to 1,426,381,496 shares after the transfer. On 25 October 2017, the Company completed the industrial and commercial registration of changes of increasing the registered capital at the Administrative Bureau for Industry and Commerce of Inner Mongolia Autonomous Region, and its registered capital was changed to RMB1,426,381,496.00.

Pursuant to the resolution of the first 2019 extraordinary general meeting held on 31 May 2019 and the Reply on Approval of Issuance of Shares to Zhao Meiguang and Others by Chifeng Jilong Gold Mining Co., Ltd. to Purchase Assets and Raise Funds (Zheng Jian Xu Ke [2019] No.2020) approved by CSRC on 28 October 2019, which approved the issuance of a total of 128,787,878 shares by the Company to Zhao Meiguang and others to purchase assets and the funds raised by non-public offering was less than RMB510,000,000.00.

On 12 November 2019, the Company completed the newly issued share registration procedures for the issuance of a total of 128,787,878 shares to Zhao Meiguang and others for the purchase of assets at the CSRC Shanghai Branch, and the total number of shares after the change was 1,555,169,374 shares, with a share capital of RMB1,555,169,374.00.

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## I. GENERAL INFORMATION (CONTINUED)

On 22 January 2020, the Company completed the registration procedures for the new issuance of shares to Yin Hua Fund Management Co., Ltd., Inner Mongolia Financial Asset Management Company Limited and Jiubaba (Jinan) Investment Partnership (LP) to raise funds at the CSRC Shanghai Branch, with a total of 108,742,004 shares. The total number of shares after the issuance was 1,663,911,378 shares, with a share capital of RMB1,663,911,378.00.

On 10 March 2025, as approved by the Listing Committee of Hong Kong Stock Exchange, the Company's issuance of 205,652,000 shares was listed and commenced trading on the Main Board of Hong Kong Stock Exchange. On 4 April 2025, the Company issued an additional 30,847,800 H shares through an over-allotment option. The number of H shares in the issue increased from 205,652,000 to 236,499,800 upon full exercise of the over-allotment option. On 24 June 2025, the Company completed the industrial and commercial registration of changes of increasing the registered capital at the Industrial and Commercial Bureau of Inner Mongolia Autonomous Region, and its registered capital was changed to RMB1,900,411,178.00.

The registered address of the Company is Fumin Village, Sidaowanzi Town, Aohan Banner, Chifeng City, Inner Mongolia Autonomous Region, and the office address is A7-Xiaojing, Wanfeng Road, Fengtai District, Beijing.

The Group is mainly engaged in mining of gold and non-ferrous metal and comprehensive recycling of resources. The main products are gold, copper cathode, other precious metals and non-ferrous metals.

The actual controller of the Group is Ms. Li Jinyang.

The financial statements were approved and authorised for issue by the Board of Directors of the Company on 20 March 2026.

## II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### 1. Basis of preparation

The Group adopts the CASBE and relevant requirements promulgated by the Ministry of Finance (hereafter referred to as "CAS"), and discloses relevant financial information in accordance with "Rules on the Preparation and Report of Information Disclosure for Companies Publicly Issuing Securities No. 15 – General Requirements for Financial Reports". In addition, the financial statements also disclose information according to the relevant disclosure requirements under the Hong Kong Companies Ordinance and the Listing Rules.

### 2. Going concern

The financial statements have been prepared on a going concern basis.

# NOTES TO FINANCIAL STATEMENTS

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group has formulated specific accounting policies and accounting estimates based on actual production and operation characteristics, which are mainly reflected in the depreciation methods for fixed assets, amortisation methods for intangible assets, recognition and measurement of operating income and so on.

### 1. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truthfully and completely the consolidated and the company financial position as at 31 December 2025, and the consolidated and company financial performance and cash flows for the year then ended.

### 2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e., from 1 January to 31 December.

### 3. Functional currency

The Company adopts Renminbi (“RMB”) as its functional currency and to prepare its financial statements. Except for specially noted instructions, the financial statements are denominated in RMB.

The subsidiaries and associates of the Group determine their own functional currencies according to the primary economic environments in which they operate and translate into RMB in preparation of the financial statements.

### 4. Method and selection basis of determination of materiality criteria

| Item  | Materiality criteria   |
|---|--|
| Material Individual bad debt provisions for trade receivables/other receivables | Receivables that make bad debt provision individually exceeding 10% of the total amount of each receivable account, and the individual amount exceeds RMB20 million. |
| Material construction in progress   | Individually with a carrying amount exceeding 0.1% of the Group's total assets.  |
| Subsidiaries with material non-controlling interests                            | A subsidiary with net assets exceeding 2% of the net assets of the Group, and the non-controlling interests exceeding RMB300 million.                                |
| Material trade payables/other payables  | Payables individually with a carrying amount exceeding RMB10 million.  |
| Material associates   | An individual investee with a carrying amount exceeding 5% of the net assets of the Group.   |

# NOTES TO FINANCIAL STATEMENTS

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 5. Business combinations

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

A business combination involving entities under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. Assets and liabilities (including goodwill arising from the acquisition of the merged party (parties) by the ultimate controlling party) obtained by the merging party shall be measured at their respective carrying amounts as recorded by the ultimate controlling party at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to capital premium under capital reserves. If the capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

A business combination not involving entities under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the combination. The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination not involving entities under common control shall be measured at fair value at the acquisition date. Where the fair value of combination consideration exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, which is subsequently measured at cost less accumulated impairment losses. Where the fair value of combination consideration is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the fair value of combination consideration. If after that reassessment, the fair value of combination consideration is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current period.

# NOTES TO FINANCIAL STATEMENTS

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 6. Consolidated financial statements

The scope of the consolidation in consolidated financial statements is determined on the basis of control. The consolidated financial statements include the financial statements of the Company and all of its subsidiaries. A subsidiary is an entity that is controlled by the Company (including an entity, a separable part of an investee, and the structured entity controlled by the Company). The investor controls an investee if, and only if, the investor has the following three elements: the investor has power over the investee; has rights to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns.

Where the accounting policies adopted or accounting period of subsidiaries are probably inconsistent with those of the Company, appropriate adjustments are made to the subsidiaries' financial statements in accordance with the accounting policies and accounting period of the Company when preparing the consolidated financial statements. All assets, liabilities, equity, income, expenses and cash flows arising from intra-group transactions are eliminated in full on consolidation.

When the amount of loss for the period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of shareholders' equity of the subsidiary, the excess amount shall still be allocated against non-controlling interests.

Where a subsidiary is acquired through a business combination not involving entities under common control, the financial performance and cash flows of the acquiree shall be included in the consolidated financial statements of the Group from the date the Group obtains control until the date that such control ceases. In the preparation of the consolidated financial statements, the financial statements of an acquired subsidiary shall be adjusted based on the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities determined at the acquisition date.

Where a subsidiary is acquired through a business combination involving entities under common control, the acquiree's financial performance and cash flows shall be included in the consolidated financial statements as if the acquiree was under the control of the Group at the very beginning and the comparative amounts of the consolidated financial statements of the Group shall be restated accordingly.

If a change in any facts and circumstances gives rise to one or more changes in controlling factors, the Group will reassess whether it controls the investee or not.

Change in non-controlling interests that does not result in the loss of control over the subsidiary is accounted for as an equity transaction.

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 7. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### 8. Foreign currency transactions and translation of financial statements denominated in foreign currency

For foreign currency transactions, the Group translates the amount of foreign currency into the amount of functional currency.

On initial recognition of a foreign currency transaction, the amount of the foreign currency is translated into the functional currency at the spot exchange rate prevailing on the date of the transaction. As at the end of the reporting period, monetary items denominated in foreign currencies are translated into the functional currency using the spot exchange rates prevailing at the end of the reporting period. Exchange differences arising from the differences between the spot exchange rates prevailing at the end of the reporting period and those on initial recognition or at the end of the previous reporting period, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period, are recognised in profit or loss for the period. Non-monetary items denominated in foreign currencies measured at historical cost are translated at the spot exchange rate prevailing on the date of transaction and the amount denominated in the functional currency is not changed. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Differences between the re-translated functional currency amount and the original functional currency amount are recognised in profit or loss or as other comprehensive income depending on the nature of the non-monetary items.

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the statement of financial position are translated at the spot exchange rate prevailing at the end of the reporting period; shareholders' equity items except for retained earnings are translated at the spot exchange rates at the dates on which such items arose; income and expenses in the statement of profit or loss are translated at the average exchange rates for the transaction period (unless exchange rate fluctuations make translation at that rate inappropriate, then the spot rate at the date of the cash flow is used). The exchange differences arising from translation of financial statements denominated in foreign currencies are recognised as other comprehensive income. For disposals of equity interests in foreign operations, the proportionate share of the accumulated exchange differences arising from translation of financial statements in other comprehensive income of foreign operations is reclassified to profit or loss for the current period. For partial disposals, the reclassification is determined on the proportion of disposal.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at the average exchange rate of the transaction period of cash flows (unless exchange rate fluctuations make translation at that rate inappropriate, then the spot rate at the date of the cash flow is used). The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the statement of cash flows.

# NOTES TO FINANCIAL STATEMENTS

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

#### (1) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's account and consolidated statement of financial position) when:

- (1) the rights to receive cash flows from the financial asset have expired; or
- (2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

The Group derecognises a financial liability only when the underlying obligation is settled, discharged or expires. An agreement to replace the original financial liability with a new financial liability with substantially different terms with the same creditor, or to modify the original financial liability's terms substantially, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the new financial liability should be recognised in profit or loss for the current period.

All regular means of purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular means of 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 marketplace pursuant to the provisions of the terms of an agreement. Trade date is the date that the Group commits to purchase or sell the financial asset.

# NOTES TO FINANCIAL STATEMENTS

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (2) Classification and measurement of financial assets

At initial recognition, the classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them: financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, but trade receivables arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group does not consider the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, transaction costs are directly recognised in profit or loss for the current period. For other financial assets, transaction costs are included in their initial recognised amounts.

The subsequent measurement of financial assets depends on their classification:

#### *Financial assets at amortised cost (debt instrument investments)*

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of this kind of financial assets is recognised using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

#### *Financial assets at fair value through other comprehensive income (equity instrument investments)*

The Group can elect to classify irrevocably its equity investments which are not held for trading as equity investments designated at fair value through other comprehensive income. Only the relevant dividend income (excluding the dividend income explicitly recovered as part of the investment cost) is recognised in profit or loss. Subsequent changes in the fair value are included in other comprehensive income, and no provision for impairment is made. When the financial asset is derecognised, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings.

# NOTES TO FINANCIAL STATEMENTS

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (2) Classification and measurement of financial assets

##### *Financial assets at fair value through profit or loss*

The financial assets other than financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with changes in fair value recognised in profit or loss, except for the financial assets related to hedge accounting.

#### (3) Classification and measurement of financial liabilities

At initial recognition, financial liabilities of the Group are classified as financial liabilities at fair value through profit or loss and financial liabilities measured at amortised cost. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly recognised in profit or loss for the current period, and the related transaction costs of financial liabilities measured at amortised cost are recognised in their initial amount.

The subsequent measurement of financial liabilities depends on their classification:

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivative instruments attributable to financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading (including derivative instruments attributable to financial liabilities) are subsequently measured at fair value. All changes in fair value of such financial liabilities are recognised in profit or loss, except for the financial liabilities accounted for under hedge accounting. Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value and gains or losses are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income. If gains or losses arising from the Group's own credit risk which are presented in other comprehensive income will lead to or expand the accounting mismatch in profit or loss, the Group will include all the changes in fair value (including the amount affected by changes in the Group's own credit risk) of such financial liabilities in profit or loss.

##### *Financial liabilities measured at amortised cost*

For such financial liabilities, subsequent measurement is made at amortised cost using the effective interest method.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (4) Impairment of financial instruments

##### *Recognition and accounting treatment of expected credit losses*

Based on expected credit losses (“ECLs”), the Group undertakes impairment treatment and recognises provisions for financial assets at amortised cost.

For receivables that do not contain significant financing components, the Group applies the simplified approach to measure provisions based on lifetime ECLs.

For financial assets other than those measured with the simplified approach, the Group evaluates at the end of each reporting period whether its credit risk has significantly increased since initial recognition. If the credit risk of the financial instrument does not increase significantly since the initial recognition, it would be classified in Stage 1, and the Group measures the provisions for those instruments at an amount equal to 12-month ECLs, and calculates interest income based on book value and actual interest rate. If the credit risk of a financial instrument has significantly increased since the initial recognition but is not yet credit-impaired, it would be classified in Stage 2, and the Group measures the provisions for the instrument at an amount equal to lifetime ECLs, and calculates interest income based on book value and actual interest rate. If the financial instrument has been credit-impaired since the initial recognition, it would be classified in Stage 3, and the Group measures the provisions for the financial instrument at an amount equal to lifetime ECLs, and calculates interest income according to amortised cost and actual interest rate. For financial instruments with relatively low credit risk at the end of the reporting period, the Group assumes their credit risk has not significantly increased since initial recognition.

Please refer to Note X. 2 for the disclosure of the Group’s criteria for judging the significant increase in credit risk, the definition of credit-impaired financial assets, etc.

The Group’s measurement of ECLs of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the end of the reporting period.

##### *Grouping and basis of determination for impairment provisions based on credit risk characteristics*

The Group has taken into account the credit risk characteristics of different customers. Based on the common risk characteristics and using the ageing portfolio as the basis, we assess the ECLs of financial instruments. The portfolios classified by the Group are the domestic customer portfolio and the overseas customer portfolio.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (4) Impairment of financial instruments (Continued)

*Ageing method for credit risk portfolio based on days past due*

The Group determines the ageing of accounts based on the invoice date.

*Criteria for individual impairment assessment of bad debt provisions*

If a counterparty exhibits significantly different credit risk characteristics compared to others within the same portfolio, the provisions for the receivables from this counterparty shall be made on an individual basis.

*Write-off of impairment provisions*

When the Group no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, the Group directly writes down the carrying amount of the financial asset.

#### (5) Derivative financial instruments

The Group uses derivative financial instruments, such as commodity futures contracts for hedging price fluctuation risk. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative.

Except for those subject to hedge accounting, gains or losses arising from changes in the fair value of derivatives are directly recognised in profit or loss for the current period.

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Inventories

The Group's inventories include raw materials, work in progress, finished goods and consumable materials.

Inventories are initially measured at cost. Cost of inventories comprise all costs of purchase, costs of processing and other expenditures. The actual cost of inventories upon delivery is calculated using the weighted average method. Except that the harvesters are amortised at fifty percent each upon issuance, consumable materials, including low value consumables and packing materials, are amortised using the immediate write-off method.

The perpetual inventory system is maintained for the stock system.

At the end of the reporting period, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made and recorded in profit or loss for the current period. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. For inventories with large quantities and low unit prices, provision for inventories is written down by category. Items of inventories relating to the same product line that have the same or similar end uses or purposes, are produced and marketed in the same geographical area, and cannot be practicably evaluated separately from other items in that product line, are grouped and written down on an aggregate basis.

### 11. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and associates.

A long-term equity investment is measured at its initial investment cost on acquisition. For a long-term equity investment acquired through business combination involving entities under common control, the initial investment cost is the attributable share of the carrying amounts of the shareholders' equity of the acquiree in the ultimate controlling party's consolidated financial statements at the date of combination. The difference between the initial investment cost and the carrying amount of the consideration is adjusted against capital reserve (if the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings). For a long-term equity investment acquired through business combination not involving entities under common control, the initial investment cost of the long-term equity investment is the cost of the combination (If the business combination not involving entities under common control is achieved in stages, the initial investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity investment held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date). For a long-term equity investment acquired other than long-term equity investments formed through business combinations, the initial investment cost is recognised as follows: if acquired by cash, the initial investment cost is recognised at the purchase price actually paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition of long-term equity investments; if acquired through issuing equity securities, the initial investment cost is recognised at the fair value of the equity securities issued.

# NOTES TO FINANCIAL STATEMENTS

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Long-term equity investments (Continued)

The long-term equity investments which the Company can exercise control over the investee are accounted for using the cost method in the Company's individual financial statements. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, a long-term equity investment is measured at initial investment cost. If there are additional investments or disinvestments, the cost of the long-term equity investment shall be adjusted. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

For long-term equity investments over which the Group has joint control or significant influence, the Group accounts for such long-term equity investments using the equity method. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, after a long-term equity investment is acquired, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss and other comprehensive income for the period, respectively, and adjusts the carrying amount of the long-term equity investment. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's identifiable assets and others at the acquisition date after making appropriate adjustments to conform with the Group's accounting policies and accounting period. Unrealised profit or loss resulting from the Group's transactions with its associates are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated (except for those transactions relating to impairment loss of assets which shall be recognised fully), provided that invested or sold assets constituting business shall be excluded. The Group shall reduce the carrying amount of the long-term equity investments for shares of profits or cash dividends declared of the investee. However, the share of net loss is only recognised to the extent that the carrying value of the investment together with any long-term interests that in substance form part of its net investment is reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. Changes in the shareholders' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are correspondingly adjusted to the carrying amount of the long-term equity investments and recognised in the shareholders' equity.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 12. Fixed assets

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in profit or loss or in the cost of the relevant asset according to the beneficiary when it occurs.

A fixed asset is initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered. The cost of a fixed asset is the aggregate cost of purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use.

Other than the fixed asset formed by the work safety fund that is depreciated one time, other fixed assets are depreciated over their useful lives using the units-of-production method or the straight-line method. The useful lives, estimated net residual value rate and annual depreciation rate of each category of the fixed assets which depreciation are calculated using the straight-line method are as follows:

| Type                            | Useful life | Estimated net residual value rate | Annual depreciation rate |
|---------------------------------|-------------|-----------------------------------|--------------------------|
| Buildings                       | 20 years    | 0%, 5%                            | 4.75%, 5.00%             |
| Machinery                       | 5-10 years  | 0%, 5%                            | 9.50%-20.00%             |
| Vehicles                        | 5-10 years  | 0%, 5%                            | 9.50%-20.00%             |
| Electronic equipment and others | 3-5 years   | 0%, 5%                            | 19.00%-33.33%            |

Where the components of fixed assets have different useful lives or provide economic benefits to the enterprise in different ways, different depreciation rates are applied. The Group reviews the useful life, estimated net residual value of fixed assets and the depreciation method applied at least once at each financial year end, and makes adjustments when necessary.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 13. Construction in progress

Construction in progress is measured at its actual expenditures, including various necessary construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant expenditures.

Construction in progress is transferred to a fixed asset when it is ready for its intended use. The criteria are as follows:

| Type                            | Criteria for transferring to fixed assets                      |
|---------------------------------|--|
| Buildings                       | Meet the design requirements and be available for use          |
| Machinery                       | Meet the design requirements and complete the trial production |
| Vehicles                        | Actually start to use  |
| Electronic equipment and others | Actually start to use  |

### 14. Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised, whereas other borrowing costs are recorded in profit or loss for the current period.

The capitalisation of borrowing costs commences only when the capital expenditures for the asset and the borrowing costs have been incurred, and the activities that are necessary to acquire, construct or produce the asset for its intended use or sale have been undertaken.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised in profit or loss for the current period.

During the capitalisation period, the amount of interest eligible for capitalisation for each accounting period shall be determined as follows: where funds are borrowed for a specific purpose, the amount of interest eligible for capitalisation is the actual interest costs incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds or any investment income on the temporary investment of those funds; where funds are borrowed under general purpose, the amount of interest eligible for capitalisation is determined by applying a weighted average interest rate on the general borrowings to the weighted average of the excess of the cumulative expenditures on the asset over the expenditures on the asset funded by the specific borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognised as an expense in profit or loss until the acquisition, construction or production is resumed.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 15. Intangible assets

#### (1) Useful life of intangible assets

The mining rights are amortised using the units-of-production method. Exploration rights are not amortised until mining commences. After exploration rights are converted into mining rights, they are amortised using the units-of-production method. Other intangible assets are amortised on a straight-line basis over their useful lives. The estimated useful lives of each intangible asset are as follows:

| Type                    | Useful life    | Basis for determination  |
|-------------------------|----------------|--|
| Land use rights         | 20-50 years    | Term of land use right   |
| Trademarks              | 10 years       | Registered valid period  |
| Patents                 | 10-14.75 years | The shorter of the patent right term and the estimated useful life |
| Forest land use rights  | 55 years       | Term of forest land use right                                      |
| Other intangible assets | 5-12 years     | The useful lives of the assets                                     |

Exploration expenditures include the expenses incurred in activities such as geological prospecting, exploration drilling, and trench sampling for taking samples, which are related to the feasibility studies of technical and commercial development carried out around, outside, or in the depth of existing ore deposits, or on the basis of exploration rights obtained through external purchases. Exploration expenditures incurred after it can be reasonably determined that a mine is commercially viable for production can be capitalised. After obtaining the mining license, they will be included in the intangible asset of the mining right and amortised using the units-of-production method. If any project is abandoned during the development stage, its total expenditure will be written off and included in the current period's expenses.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 15. Intangible assets (Continued)

#### (2) Research and development expenses

The Group classifies the expenditures on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure on the research phase is recognised in profit or loss as incurred. Expenditure on the development phase is capitalised only when the Group can demonstrate all of the followings: the technical feasibility of completing the intangible asset so that it will be ready for intended use or sale; the intention to complete the intangible asset and use or sell it; how the intangible asset will generate probable future economic benefits (among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset); the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the ability to measure reliably the expenditure attributable to the intangible asset during the development phase. Expenditure on the development phase which does not meet these above criteria is recognised in profit or loss when incurred.

### 16. Impairment of assets

Impairment of assets other than inventories, deferred tax assets and financial assets is recognised based on the following methods: the Group assesses at the end of each reporting period whether there is any indication that the assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets and impairment tests are performed. Goodwill arising in a business combination, an intangible asset with an indefinite useful life and an intangible asset that is not ready for use shall be assessed for impairment at least at each year end, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. The recoverable amount is estimated on an individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. Identification of an asset group shall be based on whether there are major cash inflows which are independent from other assets or asset groups.

If the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount shall be reduced to its recoverable amount. The reduction is recognised as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognised accordingly.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 16. Impairment of assets (Continued)

For the purpose of impairment testing, the carrying amount of goodwill is, from the acquisition date, allocated on a reasonable basis to each of the relevant asset groups or sets of asset groups. Relevant asset groups or sets of asset groups to which the goodwill is so allocated represent those which are expected to benefit from the synergies of the combination and are not larger than a reportable segment of the Group.

The carrying amount of an asset group or a set of asset groups including the goodwill is compared to its recoverable amount. If the recoverable amount of the asset group or set of asset groups is lower than its carrying amount, firstly, the impairment loss shall be allocated to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups. Then, the impairment loss shall be allocated to the other assets of the asset group or set of asset groups (excluding goodwill) on the basis of the proportion of the carrying amount of each asset in the asset group or set of asset groups.

Once an impairment loss of the abovementioned asset is recognised, it shall not be reversed in any subsequent period.

### 17. Long-term deferred expenses

Long-term deferred expenses refer to expenses that have been already incurred but should be borne in the reporting period and subsequent periods with an allocation period of more than one year. The Group's long-term deferred expenses mainly include license fees for mining right, preliminary fees for mining, etc. Long-term deferred expenses are amortised using the straight-line method during the expected period of benefits.

### 18. Contract liabilities

The Group presents its obligation to transfer goods or services to a customer, for which the Group has received consideration or the Group has a right to an amount of consideration that is unconditional from the customer, as a contract liability.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 19. Employee benefits

Employee benefits are all types of benefits except the share-based payments given by the Group in exchange for the services rendered by employees or termination of employment. Employee benefits include short-term employee benefits, post-employment benefits and termination benefits.

#### (1) Short-term employee benefits

During the accounting period in which employees provide services, the actual short-term employee benefits incurred are recognised as liabilities and are included in the current period's profit or loss or the cost of related assets.

#### (2) Post-employment benefits (defined contribution plan)

The employees of the Group participate in a pension scheme and unemployment insurance administrated by the local government, and the corresponding expenses shall be included in the cost of related assets or profit or loss.

#### (3) Termination benefits

When the Group provides termination benefits to employees, the employee salary liability arising from the termination benefits is recognised on the earlier of the following two dates, and is included in the current period's profit or loss: when the enterprise cannot unilaterally withdraw the termination benefits provided due to the labour relationship termination plan or the downsizing proposal; when the enterprise recognises the costs or expenses related to the restructuring involving the payment of termination benefits.

The internal early retirement plan for employees is dealt with in accordance with the same principles as the above-mentioned termination benefits. The Group will, when the conditions for recognising the provision are met, include the salaries to be paid to the employees on internal early retirement and the social insurance premiums to be paid during the period from the date when the employees stop providing services to the normal retirement date in the current period's profit or loss (termination benefits).

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 20. Provisions

Except for contingent consideration and contingent liabilities arising from business combinations not involving entities under common control, provisions are recognised when the Group has an obligation related to a contingency, which is a present obligation of the Group, that would probably result in an outflow of economic benefits from the Group and could be reliably measured.

The amount initially recognised as a provision is the best estimate of the expenditures required to settle the present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. The Group will review the carrying amount of a provision at the end of the reporting period and make appropriate adjustments to reflect the best estimate of the amount.

A provision recognised in a business combination not involving entities under common control is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

### 21. Share-based payment

A share-based payment is classified as either an equity-settled share-based payment or a cash-settled share-based payment. An equity-settled share-based payment is a transaction in which the Group receives services and uses shares or other equity instruments as consideration for settlement.

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserves. If such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the satisfaction of a specified performance condition, at each reporting date during the vesting period, the Group recognises the services received for the current period as related costs and expenses, with a corresponding increase in capital reserves, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest. The fair value is determined using the fair value on the grant date (or other appropriate pricing model).

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 21. Share-based payment (Continued)

Where the terms of an equity-settled share-based award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

The cost of cash-settled transactions is measured at the fair value of the liability which is determined on the basis of shares or other equity instruments of the Group. If the rights under a cash-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in liability. If the rights under a cash-settled share-based payment could not vest until the completion of services for a vesting period, or until the satisfaction of a specified performance condition, at each reporting sheet date during the vesting period, the Group recognises the services received for the current period as related costs or expenses and the corresponding liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting. The liability is measured at each reporting sheet date up to and including the settlement date, with changes in fair value recognised in profit or loss.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 22. Revenue

The Group recognises revenue when it has fulfilled its obligations under the contract, i.e., when the customer acquires control of relevant goods or services. Acquiring control over the goods or services refers to the ability to dominate the use of the goods or the provision of services and to derive almost all the economic benefits therefrom.

Detailed information about the revenue recognition of the Group is as follows:

#### (1) *Contracts for the sale of goods*

A contract for the sale of goods between the Group and the customer usually only includes the performance obligation to deliver the goods. The Group generally recognises revenue at the point in time of transfer of the controlling rights of goods on the basis of a combination of the following factors: the current right to collect the goods, the transfer of major risks and benefits in the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of physical assets of the goods and that the customers have accepted the goods.

The Group recognises the transaction price as the amount of consideration to which it expects to be entitled in exchange for transferring goods to customers, which is determined based on the contractual terms and conditions in conjunction with customary business practices.

When the contract contains a significant financing component, the Group determines the transaction price based on an amount that reflects the price that a customer would have paid for the goods in cash at the time of obtaining the control of the goods or services, and amortises the difference between the determined transaction price and the consideration promised in the contract under the effective interest method within the contract period using the discount rate that discounts the nominal amount of the contract consideration to the current selling price of the goods. The Group does not consider the effects of a significant financing component in the contract if it is expected that the period between the date when the customer obtains control of the goods or services and the date when the customer pays for such goods will be one year or less.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 22. Revenue (Continued)

#### (1) Contracts for the sale of goods (Continued)

##### *Metal streaming arrangement*

There is a Metal Streaming Arrangement in GSR acquired by the Group in 2022. Under the business arrangement, GSR receives a payment in advance and the counterparty obtains a certain proportion of deliverable gold within the entire life of the designated mine. The counterparty is also required to pay an additional payment based on a certain proportion of the market price when GSR delivers the goods within an agreed period in the future. The payment GSR receives in advance is considered to be part of the counterparty's prepayment for the future goods with uncertain but predictable quantity, and is recognised as a contract liability upon receipt. Each unit of the delivered goods represents a separate performance obligation, and revenue is recognised at the point in time when control of the goods is transferred. Considering the timing of satisfaction of delivery obligations throughout the entire life of the mines, the contract liability above is considered to have significant financing components. In addition, because the quantity of all delivered goods available to the counterparty depends on the mining reserves of the metals throughout the entire life of the mines, the management will estimate the change of total metal reserves and planned mining reserves of the mines on a regular basis and adjustments shall be made to the revenue and financing expenses recognised in historical periods based on the updated prices in the change periods. For further details, please refer to Note V.34.

In the Group's Metal Streaming Arrangement, because the quantity of all delivered goods available to the counterparty depends on the mining reserves of the metals throughout the entire life of the mines, the price allocated to the goods delivered per unit is considered as variable consideration. When the estimated total metal reserves and planned exploitation reserves of the mine change, it is necessary to recalculate the price of goods delivered per unit, and in the period of the changes occurred, adjust the revenue and finance costs recognised in the same period according to the updated price. The Group determines the best estimate of variable consideration by the expected value. The transaction price including variable consideration is only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 22. Revenue (Continued)

#### (2) Contracts for the rendering of services

A contract for the rendering of services between the Group and the customer usually includes performance obligations for dismantling waste electrical and electronic products. In addition to revenue generated from the sale of dismantled products, the Group also receive government incentives for dismantling electronic products. These incentives essentially represent consideration paid by the government for the dismantling services provided by the Group and are not gratuitous in nature. In accordance with revenue recognition standards, the Group reasonably estimates the amount of potential future incentives based on the most updated government incentive policy, its own business operations, etc. The Group also considers constraints on variable considerations included in transaction prices. These incentives are recognised as revenue once the conditions for revenue recognition are met.

### 23. Government grants

A government grant is recognised only when the Group can comply with the conditions attached to the grant and the Group will receive the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

Asset-related government grants are recognised when the government document designates that the government grants are used for acquiring, constructing or forming long-term assets. If the government document is inexplicit, the Company should make a judgement based on the basic conditions to obtain the government grants, and recognises them as asset-related government grants if the conditions are for acquiring, constructing or forming long-term assets. Otherwise, the government grants should be income-related. The method applicable to the Group's government grants is the gross method.

Government grants related to income shall be accounted for accordingly as follows: those to be used as compensation for future expenses or losses shall be recognised as deferred income and recorded in profit or loss when the related expenses or losses are recognised; those to be used as compensation for related expenses or losses already incurred shall be recognised directly in profit or loss.

Government grants related to assets shall either reduce the carrying amount of the related assets or be recognised as deferred income to be recognised in profit or loss on a reasonable and systematic basis over the useful lives of the assets (however, government grants measured at a nominal amount shall be recognised directly in profit or loss for the current period). If the assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the balances of undistributed deferred income shall be reclassified to profit or loss over the period when the assets are disposed of.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 24. Deferred tax assets/deferred tax liabilities

At the end of the reporting period, for temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the carrying amount of items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (1) When the taxable temporary difference arises from the initial recognition of goodwill or the initial recognition of an asset or liability in transactions that are not business combinations and affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction, and the initial recognition of assets and liabilities does not give rise to any taxable temporary differences and deductible temporary differences at the same amount;
- (2) In respect of taxable temporary differences associated with investments in subsidiaries and associates, the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, except:

- (1) When the deductible temporary differences do not arise from business combinations and affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction, and the initial recognition of assets and liabilities does not give rise to any taxable temporary differences and deductible temporary differences at the same amount;
- (2) In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

At the end of the reporting period, deferred tax assets and liabilities are measured at applicable tax rates according to the requirements of tax laws during the period that the assets are expected to be recovered or the liabilities are expected to be repaid. The recognition of deferred tax assets and liabilities also takes the recovery or the repayment terms at the end of the reporting period into account.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 24. Deferred tax assets/deferred tax liabilities (Continued)

At the end of the reporting period, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilised. At the end of the reporting period, the carrying amount of deferred tax assets that are not recognised before, is reviewed and recognised to the extent that it is probable that available taxable profits in the future will allow the entire or part of the benefit of deferred tax assets to be utilised.

Deferred tax assets and deferred tax liabilities are offset and the net amount is presented if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 25. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### (1) As a lessee

The Group recognises lease liabilities and right-of-use assets, except for short-term leases and leases of low-value assets.

At the commencement date of the lease, the Group recognises the right to use the leased asset over the lease term as a right-of-use asset. Right-of-use assets are initially measured at cost. The cost of the right-of-use assets comprises: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date of the lease less any lease incentives received; any initial direct cost incurred; and an estimate of costs incurred by the lessee in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying assets to the condition required by the terms and conditions of the lease. The Group remeasures the lease liabilities for the revision to the lease payments and adjusts the carrying amount of the right-of-use assets accordingly. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying assets will be transferred to the Group at the end of the lease terms, the Group depreciates the assets from the commencement date to the end of the useful lives of the assets. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful lives of the assets and the end of the lease terms.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 25. Leases (Continued)

#### (1) As a lessee (Continued)

At the commencement date of the lease, the Group measures lease liabilities at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related assets as required. In addition, the Group remeasures lease liabilities at the present value of the revised lease payments upon a change in any of the following: in-substance fixed payments, the amounts expected to be payable under residual value guarantees, the index or rate used to determine lease payments, or the assessment or exercise of the purchase option, the renewal option or the option to terminate the lease.

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease of the individual underlying asset with low value, when new, as a lease of low-value assets. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related assets or profit or loss on a straight-line basis over the lease terms.

#### (2) As a lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

Rental income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred. Initial direct costs are capitalised and amortised on the same basis as the recognition of rental income over the lease term, and are included in the profit or loss by instalments.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Other significant accounting policies and estimates

#### 1. Share repurchase

The considerations and transaction costs incurred in repurchasing own equity instruments are deducted from equity. Equity movements are recognised on the issue (including refinancing), repurchase, sale, or cancellation of the Group's own equity instruments except share-based payments.

#### 2. Work safety fund

The work safety fund accrued pursuant to regulations are recognised as cost of relevant products or profit or loss for the current period, and are recognised as special reserve at the same time. For the utilisation of the fee to pay for safety relevant expenses, the special reserve shall be reversed directly; capitalised expenditure shall be aggregated and recognised in fixed assets when the asset is ready for its intended use. The actual expenditure shall be offset with the balance of special reserve and full depreciation is provided for the asset at the same amount.

#### 3. Hedge accounting

In respect of the methods of hedge accounting, the Group's hedging is classified as follows:

- (1) Fair value hedges, which are hedges of the risk of changes in the fair value of a recognised asset or liability for which a firm commitment (other than exchange rate risk) has not yet been recognised;
- (2) Cash flow hedges, which are hedges of the exposure to variability in cash flows that arise from a particular type of risk associated with a recognised asset or liability, a forecast transaction that is probable, or the exchange rate risk embedded in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group officially designates the hedge relationship and prepares formal written documents of the hedge relationship, risk management objectives and hedge strategies. The documents include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in fair value or cash flows of the hedging instruments offset changes in the fair value or cash flow of hedged items caused by the hedged risk. Such hedges are assessed on an ongoing basis to ensure that such hedges are effective during the accounting period with designated hedging relationships.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Other significant accounting policies and estimates (Continued)

#### 3. Hedge accounting (Continued)

If the hedging instrument expires or is sold, terminated or exercised without rollover or replacement (as part of the hedging strategy) or when the hedging relationship is not consistent with the risk management objective as the risk management objective has changed or when the hedge no longer meets other criteria of the hedge accounting, the Group will discontinue the hedge accounting.

Where the hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but the risk management objectives for the designated hedging relationship have not changed, the Group rebalances the hedging relationship.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

#### (1) Fair value hedging

The gain or loss on the hedging instrument is recognised in profit or loss. The gain or loss on the hedged item resulting from hedged exposures is recognised in profit or loss and the carrying amount of the hedged item not measured at fair value is adjusted at the same time.

For fair value hedge relating to debt instruments carried at amortised cost, the adjustments on the carrying amount of the hedged items are amortised to profit or loss over the remaining term of the hedge using the effective interest method. Amortisation using the effective interest rate may begin upon the adjustment of the carrying amount but no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is a debt instrument measured at fair value through other comprehensive income, the accumulation of recognised hedged gains or losses shall be amortised in the same manner and recognised in profit or loss for the current period, while the book value of financial assets is not adjusted. If the hedged item is terminated, the unamortised fair value is recognised in profit or loss for the current period.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss for the current period. The changes in the fair value of the hedging instrument are also recognised in profit or loss for the current period.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Other significant accounting policies and estimates (Continued)

#### 3. Hedge accounting (Continued)

##### (2) Cash flow hedging

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised directly in profit or loss.

If the hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the hedged forecast transaction of a non-financial asset or a non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied, the amount accumulated in equity is removed from the cash flow hedge reserve and included in the initial cost of the asset or the liability. The remaining cash flow hedges are reversed out of the cash flow hedge reserve recognised in other comprehensive income to profit or loss in the same period in which the expected cash flows to be hedged affect profit or loss, if a sale is expected to occur.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment.

#### 4. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities which can be accessed at the measurement date; Level 2 – based on inputs other than those included within level 1 that are observable for the relevant asset or liability, either directly or indirectly; and Level 3 – based on unobservable inputs for the relevant asset and liability.

At the end of each reporting period, for assets and liabilities measured at fair value that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Other significant accounting policies and estimates (Continued)

#### 5. Related parties

Where one party controls or jointly controls the other party or exerts significant influence over the other party, and two or more parties are controlled or jointly controlled by one party, they constitute related parties. A related party can be either an individual or an entity. Entities that are only controlled by the state and do not have other related party relationships do not constitute related parties of the Company and its subsidiaries. The related parties of the Company and its subsidiaries include but not limited to:

- (1) Parent of the Company;
- (2) Subsidiaries of the Company;
- (3) Other entities controlled by the parent of the Company;
- (4) Investors that have joint control or significant influence over the Company and its subsidiaries;
- (5) Entities or individuals that are under the same control or joint control with the Company and its subsidiaries;
- (6) Joint ventures of the Company and its subsidiaries, including the subsidiaries of the joint ventures;
- (7) Associates of the Company and its subsidiaries, including the subsidiaries of the associates;
- (8) Principal individual investors of the Company and its subsidiaries and close family members of such individuals;
- (9) Key management personnel of the Company and its subsidiaries and close family members of such individuals;
- (10) Key management personnel of the parent of the Company;
- (11) Close family members of key management personnel of the parent of the Company;
- (12) Other entities controlled or jointly controlled by the Company's principal individual investors, key management personnel or close family members of such individuals.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Other significant accounting policies and estimates (Continued)

#### 5. Related parties (Continued)

In addition to the above-mentioned related parties of the Company and its subsidiaries identified according to CAS, under the requirements of the Order of the China Securities Regulatory Commission issued by CSRC, the following entities or individuals (including but not limited to) are also regarded as related parties of the Company and its subsidiaries:

- (13) Entities or acting-in-concert person holding over 5% of the Company's shares;
- (14) Individuals directly or indirectly hold more than 5% of the Company's shares, as well as their close family members;
- (15) Enterprises that have one of the mentioned (1), (3) and (13) above situations in the past 12 months or in the next 12 months according to relevant agreements;
- (16) Individuals that have one of the mentioned (9), (10) and (14) above situations in the past 12 months or in the next 12 months according to relevant agreements;
- (17) Entities other than the Company and its subsidiaries that are directly or indirectly controlled by (9), (10), (14) and (15) or serve as directors or senior management.

### 27. Changes in accounting policies and estimates

The Group did not have any changes in accounting policies and estimates occurred during the reporting period.

# NOTES TO FINANCIAL STATEMENTS

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 28. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts and disclosure of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainties about these assumptions and estimates could result in outcomes that could cause a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### *Judgements*

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effects on the amounts recognised in the financial statements:

#### *Corporate income tax*

As a result of the fact that certain matters relating to the corporate income taxes have not been confirmed by the local tax bureau as at the end of the reporting period, objective estimates based on currently enacted tax laws, regulations and other related policies are required in determining the provision for corporate income tax expenses to be made for the reporting period. Upon completion of the corporate income tax remittance, where the final tax return of these matters is different from the amounts originally recorded, the differences will be accounted for in the income tax expenses in the period in which the differences are realised.

#### *Exploration expenditure*

After determining the capitalisation amount of exploration expenditures, the Group will regularly evaluate the exploration results. If the reviewed geological exploration report shows that there are no prospecting results or no economically recoverable reserves, or that the economic benefits of mining cannot be achieved and further exploration is unnecessary due to low grade and hard-to-mining, the exploration and development costs previously capitalised will be expensed and recognised in the profit and loss.

# NOTES TO FINANCIAL STATEMENTS

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 28. Significant accounting judgements and estimates (Continued)

#### *Estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

#### *Impairment of financial instruments*

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments. The application of the expected credit loss model requires significant judgements and estimates and the consideration of all reasonable and reliable information, including forward-looking information. In making such judgements and estimates, the Group estimates the projected movements of the debtor's credit risk according to past repayment records, economic policies, macro-economic indicators and industry risks, etc. Different estimates may affect the impairment provision, and the amount of impairment provision may not equal the actual amount of impairment loss in the future.

#### *Impairment of non-current assets other than financial assets (excluding goodwill)*

The Group assesses whether there are any indicators of impairment for non-current assets other than financial assets at the end of the reporting period. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its present value of future cash flows. The calculation of the fair value less costs of disposal based on available data from sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs that are directly attributable to the disposal of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 28. Significant accounting judgements and estimates (Continued)

*Estimation uncertainty (Continued)*

*Impairment of goodwill*

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, the present value of future cash flows, which are generated from asset groups or sets of asset groups considered together with the allocated goodwill, is estimated. The Group estimates the present value of future cash flows from asset groups or sets of asset groups by forecasting the related cash flows and selecting a suitable discount rate. Further details are included in Note V.15.

*Proved mineral reserves*

Proved mineral reserves are estimated based on professional knowledge, experience and industry practice. Generally, the mineral reserve volume estimated based on probing and estimation may not be very accurate. The estimation is updated in accordance with new technologies and new information. Any changes in estimation will have impacts on amounts of mining assets' depreciation and mining rights' amortisation using the units-of-production method, on the stripping ratio which was used in the capitalisation of stripping costs, and on each of the transaction prices of the Metal Streaming Arrangement, etc. This may result in changes of or impacts on the Group's development and operation plan, and hence the Group's operation and operating results.

*Deferred tax assets*

To the extent that it is probable that there are sufficient taxable profits to offset the deductible losses, deferred tax assets shall be recognised for all unused deductible losses. Substantial management's judgements regarding the timing, amount of future taxable profit as well as tax planning strategies are needed when estimating the amount of deferred tax assets.

*Provision for environmental rehabilitation and restoration of mines*

Pursuant to the regulations of the governmental authorities in the places where the mines are located, the Group recognises provision for environmental rehabilitation and restoration of mines. The amount of provision is an estimate based upon the life of mining tenements, timing of mine closure and cost of such rehabilitation. When this estimate changes, it may affect the Group's operations and performance.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## IV. TAXES

### 1. Major taxes and tax rates

Major taxes and tax rates

| Taxes                                 | Tax calculation bases  | Tax rate   |
|---------------------------------------|--|--|
| Value added tax ("VAT")               | Difference between output VAT amount calculated based on sales amount and applicable tax rates and the deductible input VAT amount | China: 0%-13%<br>Laos: 10%<br>Ghana: 15%   |
| City construction and maintenance tax | Actual payment of turnover tax   | 1%-7%  |
| Corporate income tax ("CIT")          | Assessable profits   | 0-35%  |
| Resources tax                         | Sales amount of primary products   | China gold products: 4%, 4.5%<br>Laos gold mine and copper cathodes: 5%<br>Ghana gold mines: 5%<br>Hanfeng Mining zinc: 5%<br>Hanfeng Mining molybdenum: 8%<br>Laos rare earth products: 20% |
| Urban land use tax                    | Levied at the annual tax rate per square metre of the actual occupied land area  | Based on tax law   |
| Growth and sustainability levy        | Gross revenue  | Ghana: Before 31 March 2025: 1%; After that: 3%  |
| Export tariff                         | Export sales revenue   | Laos rare earth products: 10%  |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## IV. TAXES (CONTINUED)

### 1. Major taxes and tax rates (Continued)

The CIT rates of taxable entities not subject to China's 25% statutory tax rate are shown on the following table:

| Name of taxable entity             | CIT rate for the<br>year ended<br>31 December<br>2025 |
|------------------------------------|---|
| GSR                                | 26.5%   |
| GSWL                               | 35%   |
| LXML                               | 33.33%  |
| Chijin HK                          | 16.5%   |
| Hanfeng Mining                     | 15%   |
| Wulong Mining                      | 15%   |
| Jilong Mining                      | 15%   |
| Jintai Mining                      | 15%   |
| Guangyuan Environmental Protection | 0%  |
| Chixia Mining                      | 35%   |
| CIRE Mining                        | 35%   |
| CIREX Mining                       | 35%   |

# NOTES TO FINANCIAL STATEMENTS

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## IV. TAXES (CONTINUED)

### 2. Tax incentives

- (1) According to the “Notice on Gold Tax Policies” (Caishui [2002] No. 142) issued by the Ministry of Finance and the State Administration of Taxation, VAT is exempted for gold production and operation entities selling gold (excluding gold with fineness of AU9999, AU9995, AU999, AU995 and specifications of 50g, 100g, 1kg, 3kg and 12.5kg, hereinafter referred to as “standard gold”) and gold ore sand (including associated gold).” Subsidiaries Jilong Mining, Huatai Mining, Wulong Mining and Jintai Mining are eligible for this policy.
- (2) Under Article 27 of the Enterprise Income Tax Law, Article 88 of the Implementing Rules of the Enterprise Income Tax Law, and Caishui [2009] No. 166, qualified environmental protection, energy conservation, water-saving, and household waste treatment service projects enjoy a “three-year tax exemption followed by a three-year 50% tax reduction” preferential policy. Guangyuan Environmental Protection, a subsidiary of the Company, has been eligible for this policy since 2023, specifically: “Tax exemption in 2023, 2024, and 2025; 50% tax reduction in 2026, 2027, and 2028.”
- (3) Pursuant to the “Notice of Hefei Municipal People’s Government Office on Adjusting the Urban Land Use Tax Grade Tax Rate Standards in Urban Areas” (He Zhengban [2023] No. 21), effective 1 July 2023, the annual urban land use tax grade tax rate standards in Anhui urban areas were adjusted. Guangyuan Technology, a subsidiary of the Company, has adjusted the annual tax rate for its land in the Economic Development Zone from RMB10 per square metre to RMB5 per square metre accordingly.
- (4) In addition to VAT exemption for export business, LXML, a subsidiary of the Company incorporated in Laos, is subject to “Notification No. 2001” issued by the Laos Ministry of Finance to LXML’s suppliers in June 2017, which specifies types of VAT-exempt transactions. Since 15 May 2017, suppliers listed in the notice have no longer collected VAT from LXML, and the preferential policy allowing VAT carry-over to offset corporate income tax for LXML is no longer applicable.
- (5) According to the “Announcement on Continuing the Corporate Income Tax Policy for Western Development” (Ministry of Finance, State Administration of Taxation, and National Development and Reform Commission Announcement 2020 No. 23), enterprises in encouraged industries located in western China are subject to a reduced CIT rate of 15% from 1 January 2021 to 31 December 2030. Hanfeng Mining and Jintai Mining are eligible for this policy.
- (6) Wulong Mining, a subsidiary of the Company, successfully renewed its high-tech enterprise certification on 20 December 2023, obtaining the certificate (number GR202321002655) with a validity period of three years. Its CIT tax rate is levied at a reduced rate of 15% from 2023 to 2025.
- (7) Jilong Mining, a subsidiary of the Company, successfully renewed its high-tech enterprise certification on 9 November 2023, obtaining the certificate (number GR202315000502) with a validity period of three years. Its CIT tax rate is levied at a reduced rate of 15% from 2023 to 2025.

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Cash and bank balances

| Item   | 31 December<br>2025 | 31 December<br>2024 |
|--|---------------------|---------------------|
| Cash on hand   | 577,451.30          | 618,540.03          |
| Bank deposits  | 6,702,132,077.60    | 2,516,280,427.07    |
| Other monetary funds                                       | 118,011,032.64      | 230,543,475.83      |
| Total  | 6,820,720,561.54    | 2,747,442,442.93    |
| Including: Total amount deposited outside Chinese mainland | 3,245,593,041.51    | 1,278,511,847.30    |

- (1) As at 31 December 2025, the Group's cash and bank balances restricted to use was RMB118,011,032.64, listed under "Other monetary fund". Among them, RMB16,163,720.64 was the fund provided for mine geological environment governance and restoration, with the relevant amount deposited in a designated bank account and restricted to use in land reclamation and environmental protection after mine closure; USD14,490,000.00 was a one-year term deposit of GSWL, with the deposit period from 9 December 2025 to 9 December 2026, at an interest rate of 4.0%. The term deposit has been used as collateral to secure the bank guarantee opened in the name of GSWL for fulfilling its land reclamation obligations.

As at 31 December 2024, the Group's cash and bank balances restricted to use was RMB230,543,475.83, listed under "Other monetary fund". Among them, RMB12,580,180.75 was the fund provided for mine geological environment governance and restoration, with the relevant amount deposited in a designated bank account and restricted to use in land reclamation and environmental protection after mine closure; bank guarantee deposits with a carrying amount of RMB141,071,348.77 were restricted for gold leasing business; bank deposits with a carrying amount of RMB76,891,946.31 was a six-month term deposit from 27 August 2024 to 27 February 2025 at an interest rate of 1.6%.

- (2) As at 31 December 2025, the Group had no funds deposited overseas with restrictions on repatriation (31 December 2024: Nil).

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 2. Financial assets held for trading

| Item  | 31 December<br>2025 | 31 December<br>2024 |
|---|---------------------|---------------------|
| Financial assets at fair value through profit or loss | 19,231,618.75       | 9,998,984.68        |
| Including:  |                     |                     |
| Investments in equity instrument                      | 19,231,618.75       | 9,998,984.68        |
| Total   | 19,231,618.75       | 9,998,984.68        |

### 3. Derivative financial assets

| Item                  | 31 December<br>2025 | 31 December<br>2024 |
|-----------------------|---------------------|---------------------|
| Gold futures contract | –                   | 5,251,800.00        |
| Total                 | –                   | 5,251,800.00        |

### 4. Trade receivables

With the exception of Guangyuan Technology, trade receivables of other companies selling metals such as gold, copper, zinc and copper cathodes generally have a credit period within 60 days. Guangyuan Technology engages in the disassembly of waste electronic products, and its receivables consist of policy-based subsidies or incentive payments with no fixed credit period. The trade receivables are non-interest-bearing.

(1) An ageing analysis of the trade receivables

| Ageing   | 31 December<br>2025 | 31 December<br>2024 |
|--|---------------------|---------------------|
| Within 1 year                                  | 214,516,104.85      | 302,904,390.54      |
| Over 1 year but within 2 years                 | –                   | 92,642,615.00       |
| Over 2 years but within 3 years                | 92,642,615.00       | 74,703,595.00       |
| Over 3 years                                   | 159,418,733.00      | 116,915,138.00      |
| Subtotal                                       | 466,577,452.85      | 587,165,738.54      |
| Less: Bad debt provision for trade receivables | –                   | –                   |
| Total  | 466,577,452.85      | 587,165,738.54      |

The ageing of receivables is determined as follows: for general sales, the ageing of receivables is calculated from the date of issuance of the sales invoice; for receivables arising from government policy-related subsidies or incentives, the ageing of receivables is calculated from the date on which the related subsidies or incentives are recognised following the completion of electronic product dismantling services.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Trade receivables (Continued)

(2) Disclosure by classification of bad debt provision

#### 2025

| Item  | Carrying amount |                | Bad debt provision |                             | Net book value |
|---|-----------------|----------------|--------------------|-----------------------------|----------------|
|   | Amount          | Proportion (%) | Amount             | Percentage of provision (%) |                |
| Bad debt provision made individually                    | 278,387,234.70  | 59.67          | -                  | -                           | 278,387,234.70 |
| Bad debt provision based on credit risk characteristics | 188,190,218.15  | 40.33          | -                  | -                           | 188,190,218.15 |
| Total   | 466,577,452.85  | 100.00         | -                  | /                           | 466,577,452.85 |

#### 2024

| Item  | Carrying amount |                | Bad debt provision |                             | Net book value |
|---|-----------------|----------------|--------------------|-----------------------------|----------------|
|   | Amount          | Proportion (%) | Amount             | Percentage of provision (%) |                |
| Bad debt provision made individually                    | 347,205,358.00  | 59.13          | -                  | -                           | 347,205,358.00 |
| Bad debt provision based on credit risk characteristics | 239,960,380.54  | 40.87          | -                  | -                           | 239,960,380.54 |
| Total   | 587,165,738.54  | 100.00         | -                  | /                           | 587,165,738.54 |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Trade receivables (Continued)

#### (2) Disclosure by classification of bad debt provision (Continued)

Details of the trade receivables for which bad debt provision was made individually, are as follows:

| Item   | 31 December 2025 |                    |                |  | 31 December 2024 |                    |                |
|--|------------------|--------------------|----------------|--|------------------|--------------------|----------------|
|  | Carrying amount  | Bad debt provision | Proportion (%) | Reason   | Carrying amount  | Bad debt provision | Proportion (%) |
| Trade receivables of government subsidies/incentives | 278,387,234.70   | -                  | -              | Receivables from the government carry a high credit rating, with a relatively low risk of default, and no provision for bad debts is made. | 347,205,358.00   | -                  | -              |

As at 31 December 2025, trade receivable with bad debt provision based on credit risk characteristics, is as follows:

| Item                      | Carrying amount | Bad debt provision | Proportion (%) |
|---------------------------|-----------------|--------------------|----------------|
| Domestic client portfolio | 85,043,345.15   | -                  | -              |
| Overseas client portfolio | 103,146,873.00  | -                  | -              |
| Total                     | 188,190,218.15  | -                  | -              |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Trade receivables (Continued)

#### (3) Bad debt provision

The movements of bad debt provision for trade receivables are as follows:

|      | Opening<br>balance | Provision  | Recovery<br>or reversal | Write-off | Closing<br>balance |
|------|--------------------|------------|-------------------------|-----------|--------------------|
| 2025 | -                  | -          | -                       | -         | -                  |
| 2024 | 17,933.22          | 244,957.88 | 262,891.10              | -         | -                  |

#### (4) The five entities with the largest closing balances of trade receivables

As at 31 December 2025, the details of the five entities with the largest closings balances of trade receivables are as follows:

| Name of entity                                      | Closing balance<br>of trade<br>receivables | Proportion to<br>total closing<br>balance of trade<br>receivables (%) | Closing balance<br>of bad debt<br>provision |
|---|--|---|---|
| Government subsidies/incentives                     | 278,387,234.70                             | 59.67   | -   |
| Rand Refinery Proprietary Limited                   | 93,856,679.90                              | 20.12   | -   |
| Huadian Gold Co., Ltd.                              | 39,950,696.47                              | 8.56  | -   |
| Zhongxi Jinlong (Changting)<br>Rare Earth Co., Ltd. | 25,188,827.56                              | 5.40  | -   |
| Yunnan Dianjin Investment Co., Ltd.                 | 6,777,943.06                               | 1.45  | -   |
| Total   | 444,161,381.69                             | 95.20   | -   |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5. Prepayments

The ageing analysis of prepayments is as follows:

| Ageing                          | 31 December 2025 |                | 31 December 2024 |                |
|---------------------------------|------------------|----------------|------------------|----------------|
|                                 | Carrying amount  | Proportion (%) | Carrying amount  | Proportion (%) |
| Within 1 year                   | 126,350,249.57   | 99.98          | 276,016,620.17   | 99.83          |
| Over 1 year but within 2 years  | 21,485.00        | 0.02           | 457,951.13       | 0.17           |
| Over 2 years but within 3 years | 4,439.05         | —              | 10,000.00        | —              |
| Total                           | 126,376,173.62   | 100.00         | 276,484,571.30   | 100.00         |

As at 31 December 2025, the aggregate amount of five entities with the largest closing balances of prepayments is as follows:

| Name of entity   | Closing balance | Proportion to total closing balance of prepayments (%) |
|------------------|-----------------|--|
| Aggregate amount | 29,194,503.68   | 23.10  |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables

| Item              | 31 December<br>2025  | 31 December<br>2024 |
|-------------------|----------------------|---------------------|
| Other receivables | <b>68,390,134.23</b> | 96,187,623.04       |

An ageing analysis of other receivables:

| Ageing   | 31 December<br>2025  | 31 December<br>2024 |
|--|----------------------|---------------------|
| Within 1 year                                  | <b>55,616,022.54</b> | 79,923,712.51       |
| Over 1 year but within 2 years                 | <b>3,368,503.07</b>  | 12,417,606.02       |
| Over 2 years but within 3 years                | <b>5,514,396.85</b>  | 8,925,164.89        |
| Over 3 years                                   | <b>9,210,127.64</b>  | 295,182.35          |
| Subtotal                                       | <b>73,709,050.10</b> | 101,561,665.77      |
| Less: Bad debt provision for other receivables | <b>5,318,915.87</b>  | 5,374,042.73        |
| Total  | <b>68,390,134.23</b> | 96,187,623.04       |

Other receivables by nature:

| Nature  | 31 December<br>2025  | 31 December<br>2024 |
|---|----------------------|---------------------|
| Entity transactions                                     | <b>38,819,919.16</b> | 70,786,313.99       |
| Employee borrowings, reserves and personal transactions | <b>19,739,516.72</b> | 18,736,944.84       |
| Guarantees and deposits                                 | <b>10,861,957.06</b> | 7,728,657.84        |
| Government grants                                       | <b>3,847,800.00</b>  | 3,847,800.00        |
| Insurance claims  | <b>385,252.63</b>    | 385,330.57          |
| Others  | <b>54,604.53</b>     | 76,618.53           |
| Total   | <b>73,709,050.10</b> | 101,561,665.77      |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables (Continued)

2025

| Item                                 | Carrying amount |                | Bad debt provision |                             | Net book value |
|--------------------------------------|-----------------|----------------|--------------------|-----------------------------|----------------|
|                                      | Amount          | Proportion (%) | Amount             | Percentage of provision (%) |                |
| Bad debt provision made individually | 73,709,050.10   | 100.00         | 5,318,915.87       | 7.22                        | 68,390,134.23  |

2024

| Item                                 | Carrying amount |                | Bad debt provision |                             | Net book value |
|--------------------------------------|-----------------|----------------|--------------------|-----------------------------|----------------|
|                                      | Amount          | Proportion (%) | Amount             | Percentage of provision (%) |                |
| Bad debt provision made individually | 101,561,665.77  | 100.00         | 5,374,042.73       | 5.29                        | 96,187,623.04  |

Other receivables for which bad debt provision has been made individually are as follows:

| Item   | 31 December 2025 |                    |                             |  | 31 December 2024 |                    |                             |
|--|------------------|--------------------|-----------------------------|--|------------------|--------------------|-----------------------------|
|  | Carrying amount  | Bad debt provision | Percentage of provision (%) | Reason for provision   | Carrying amount  | Bad debt provision | Percentage of provision (%) |
| Available funds in the Shanghai Gold Exchange and stock and futures accounts | 2,570,998.31     | -                  | -                           | Receivables in the form of security deposits has a relatively low risk of default, and no provision for bad debts is made. | 37,444,073.17    | -                  | -                           |
| Others   | 71,138,051.79    | 5,318,915.87       | 7.48                        | /  | 64,117,592.60    | 5,374,042.73       | 8.38                        |
| Total  | 73,709,050.10    | 5,318,915.87       | /                           | /  | 101,561,665.77   | 5,374,042.73       | /                           |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables (Continued)

The movement of bad debt provision for other receivables based on 12-month ECLs and the entire lifetime ECLs are as follows:

| Bad debt provision        | Stage 1       | Stage 2  | Stage 3                                | Total        |
|---------------------------|---------------|--|--|--------------|
|                           | 12-month ECLs | Entire lifetime ECLs (not yet credit-impaired) | Entire lifetime ECLs (credit-impaired) |              |
| At 31 December 2024       | 5,374,042.73  | –  | –                                      | 5,374,042.73 |
| Provision during the year | 2,443,067.17  | –  | –                                      | 2,443,067.17 |
| Reversal during the year  | 310,254.28    | –  | –                                      | 310,254.28   |
| Write-off during the year | 2,187,939.75  | –  | –                                      | 2,187,939.75 |
| At 31 December 2025       | 5,318,915.87  | –  | –                                      | 5,318,915.87 |

The movements of bad debt provision

| Item | Opening balance | Provision    | Recovery or reversal | Write-off    | Closing balance |
|------|-----------------|--------------|----------------------|--------------|-----------------|
| 2025 | 5,374,042.73    | 2,443,067.17 | 310,254.28           | 2,187,939.75 | 5,318,915.87    |
| 2024 | 7,022,478.26    | 321,798.52   | 1,970,234.05         | –            | 5,374,042.73    |

Write-off of other receivables during the year

For the year ended 31 December 2025, the Group wrote off other receivables of RMB2,187,939.75 (for the year ended 31 December 2024: Nil).

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables (Continued)

The five entities with the largest closing balances of other receivables

The five entities with the largest closing balances of other receivables as at 31 December 2025 are as follows:

| Name of entity  | Closing balance | Proportion to total closing balance of other receivables (%) | Nature                  | Ageing                          | Closing balance of bad debt provision |
|---|-----------------|--|-------------------------|---------------------------------|---------------------------------------|
| TD Lao and MVDC Joint Venture   | 15,935,474.23   | 21.62  | Entity transactions     | Within 1 year                   | -                                     |
| Dandong Zhen'an District Urban and Rural Construction and Real Estate Development Co., Ltd. | 6,000,000.00    | 8.14   | Entity transactions     | Over 3 years                    | 3,000,000.00                          |
| Hefei Bureau of Economy and Information Technology  | 3,847,800.00    | 5.22   | Government grants       | Over 2 years but within 3 years | -                                     |
| Customs deposit   | 2,881,474.97    | 3.91   | Guarantees and deposits | Within 1 year                   | -                                     |
| Zhen'an District Housing Expropriation and Land Reserve Service Center                      | 2,347,084.00    | 3.18   | Entity transactions     | Within 1 year                   | 117,354.20                            |
| Total   | 31,011,833.20   | 42.07  | /                       | /                               | 3,117,354.20                          |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Inventories

#### (1) Inventories by nature

| Item                 | 31 December 2025 |                |                  | 31 December 2024 |                |                  |
|----------------------|------------------|----------------|------------------|------------------|----------------|------------------|
|                      | Carrying amount  | Provision      | Net book value   | Carrying amount  | Provision      | Net book value   |
| Raw materials        | 1,135,126,444.93 | 221,431,084.76 | 913,695,360.17   | 1,048,004,586.55 | 196,414,284.95 | 851,590,301.60   |
| Work in progress     | 1,671,245,175.26 | 60,491,842.78  | 1,610,753,332.48 | 1,577,437,753.47 | -              | 1,577,437,753.47 |
| Finished goods       | 214,325,947.22   | 53,878,738.61  | 160,447,208.61   | 113,029,537.09   | 2,225,668.65   | 110,803,868.44   |
| Consumable materials | 381,100.00       | -              | 381,100.00       | 486,100.00       | -              | 486,100.00       |
| Total                | 3,021,078,667.41 | 335,801,666.15 | 2,685,277,001.26 | 2,738,957,977.11 | 198,639,953.60 | 2,540,318,023.51 |

#### (2) Provision for inventories

##### 2025

| Item             | Opening balance | Additions      |        |              | Reductions   |              |                | Closing balance |
|------------------|-----------------|----------------|--------|--------------|--------------|--------------|----------------|-----------------|
|                  |                 | Provision      | Others | Reversal     | Write-back   | Others       |                |                 |
| Raw materials    | 196,414,284.95  | 32,321,063.23  | -      | -            | 2,540,989.23 | 4,763,274.19 | 221,431,084.76 |                 |
| Work in progress | -               | 60,673,927.09  | -      | -            | -            | 182,084.31   | 60,491,842.78  |                 |
| Finished goods   | 2,225,668.65    | 52,953,577.10  | -      | 1,296,563.46 | -            | 3,943.68     | 53,878,738.61  |                 |
| Total            | 198,639,953.60  | 145,948,567.42 | -      | 1,296,563.46 | 2,540,989.23 | 4,949,302.18 | 335,801,666.15 |                 |

Note: "Others" under "Reductions" refers to the decrease in raw materials, work in progress and finished goods caused by exchange difference on translation of foreign operations.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Inventories (Continued)

(2) Provision for inventories (Continued)

| Item             | Determination basis of net realisable value                           | Basis of making provision for inventories  | Reasons for reversal of provision for inventories   |
|------------------|---|--|---|
| Raw materials    | Market price of raw materials/Market price of relevant finished goods | Defectiveness and obsolescence/Decrease in market price of relevant finished goods | Increase in market price of relevant finished goods |
| Work in progress | Market price of relevant finished goods                               | Decrease in market price of relevant finished goods                                | Increase in market price of relevant finished goods |
| Finished goods   | Market price/Contract price   | Decrease in market price   | Increase in market price                            |

Details of provision for inventories based on group are as follows:

| Item                 | 31 December 2025 |                |                             | 31 December 2024 |                |                             |
|----------------------|------------------|----------------|-----------------------------|------------------|----------------|-----------------------------|
|                      | Carrying amount  | Provision      | Percentage of provision (%) | Carrying amount  | Provision      | Percentage of provision (%) |
| Raw materials        | 1,135,126,444.93 | 221,431,084.76 | 19.51                       | 1,048,004,586.55 | 196,414,284.95 | 18.74                       |
| Work in progress     | 1,671,245,175.26 | 60,491,842.78  | 3.62                        | 1,577,437,753.47 | -              | -                           |
| Finished goods       | 214,325,947.22   | 53,878,738.61  | 25.14                       | 113,029,537.09   | 2,225,668.65   | 1.97                        |
| Consumable materials | 381,100.00       | -              | -                           | 486,100.00       | -              | -                           |
| Total                | 3,021,078,667.41 | 335,801,666.15 | /                           | 2,738,957,977.11 | 198,639,953.60 | /                           |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 8. Other current assets

| Item   | 31 December<br>2025  | 31 December<br>2024 |
|--|----------------------|---------------------|
| Deductible VAT and prepaid taxes   | <b>63,977,818.30</b> | 33,156,484.14       |
| Margin deposits for futures  | -                    | 87,136,340.00       |
| Professional service fees for IPO listing in<br>Hong Kong Stock Exchange | -                    | 21,040,455.87       |
| Total  | <b>63,977,818.30</b> | 141,333,280.01      |

Note: As at 31 December 2025, the Group's had no other current assets in restriction (31 December 2024: RMB87,136,340.00, margin deposits futures).

### 9. Long-term receivables

| Item                        | 31 December 2025   |                       |                   | 31 December 2024   |                       |                   |
|-----------------------------|--------------------|-----------------------|-------------------|--------------------|-----------------------|-------------------|
|                             | Carrying<br>amount | Bad debt<br>provision | Net book<br>value | Carrying<br>amount | Bad debt<br>provision | Net book<br>value |
| Sublease receivables (Note) | -                  | -                     | -                 | 1,190,808.13       | -                     | 1,190,808.13      |
| Total                       | -                  | -                     | -                 | 1,190,808.13       | -                     | 1,190,808.13      |

Note: The sublease receivables were discounted at an annual rate of 6.50%.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 10. Long-term equity investments

| Item   | Opening balance | Movements during the year |  | Closing balance | Closing balance of impairment provision |
|--|-----------------|---------------------------|--|-----------------|---|
|  |                 | Additions                 | Investment income/(losses) under the equity method |                 |   |
| Associates   |                 |                           |  |                 |   |
| Shanghai Chijin Fengyu New Energy Technology Co., Ltd.<br>("Fengyu New Energy")          | 1,396,221.49    | –                         | (183,523.29)                                       | 1,212,698.20    | –                                       |
| Beijing Guohong Gold Co., Ltd.<br>("Guohong Gold")                                       | 21,949.83       | –                         | 9,282.18   | 31,232.01       | –                                       |
| Shanghai Chijin Enbo Technology Partnership (Limited Partnership)<br>("Enbo Technology") | 2,512,274.35    | 1,680,000.00              | (102,920.12)                                       | 4,089,354.23    | –                                       |
| Shanghai Enbo Chijin New Energy Technology Co., Ltd.<br>("Enbo New Energy")              | 25,200.00       | 16,800.00                 | 2.39   | 42,002.39       | –                                       |
| Anhui Wanxun Technology Co., Ltd.<br>("Anhui Wanxun")                                    | –               | 3,400,000.00              | (4,340.87)   | 3,395,659.13    | –                                       |
| Total  | 3,955,645.67    | 5,096,800.00              | (281,499.71)                                       | 8,770,945.96    | –                                       |

### 11. Fixed assets

| Item                     | 31 December 2025 | 31 December 2024 |
|--------------------------|------------------|------------------|
| Fixed assets             | 7,075,322,210.36 | 6,399,516,327.75 |
| Disposal of fixed assets | 122,209.57       | –                |
| Total                    | 7,075,444,419.93 | 6,399,516,327.75 |

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Fixed assets (Continued)

| Item                                      | Buildings        | Well construction and auxiliary facilities | Machinery        | Vehicles        | Electronic equipment and others | Total             |
|---|------------------|--|------------------|-----------------|---------------------------------|-------------------|
| <b>Cost</b>                               |                  |  |                  |                 |                                 |                   |
| Opening balance                           | 1,593,474,153.67 | 6,836,565,894.49                           | 6,695,197,981.32 | 893,377,077.02  | 160,303,064.13                  | 16,178,918,170.63 |
| Purchases                                 | 11,500.00        | 52,000.00                                  | 44,855,015.56    | 4,049,093.00    | 6,938,922.31                    | 55,906,530.87     |
| Transferred from construction in progress | 237,222,599.88   | 1,219,689,174.33                           | 181,192,535.51   | 69,762,806.87   | 13,278,561.65                   | 1,721,145,678.24  |
| Additions from acquisitions               | 26,516,787.44    | -  | 8,603,417.29     | 2,422,939.24    | 84,077.60                       | 37,627,221.57     |
| Disposals or write-off                    | (66,291,054.72)  | (153,389,362.76)                           | (1,290,694.37)   | (1,427,602.58)  | (287,508.00)                    | (222,686,222.43)  |
| Foreign currency translation adjustment   | (21,071,775.14)  | (119,792,292.34)                           | (137,842,898.74) | (20,003,535.17) | (2,384,670.02)                  | (301,095,171.41)  |
| Others                                    | (12,892,061.00)  | (21,996,137.86)                            | (23,156,189.39)  | (964,400.00)    | -                               | (59,008,788.25)   |
| Closing balance                           | 1,756,970,150.13 | 7,761,129,275.86                           | 6,767,559,167.18 | 947,216,378.38  | 177,932,447.67                  | 17,410,807,419.22 |
| <b>Accumulated depreciation</b>           |                  |  |                  |                 |                                 |                   |
| Opening balance                           | 771,472,075.67   | 2,764,042,229.14                           | 5,383,324,805.41 | 725,375,834.53  | 135,186,898.13                  | 9,779,401,842.88  |
| Charge for the year                       | 98,093,296.51    | 496,005,293.02                             | 284,142,250.65   | 50,562,229.29   | 9,827,277.06                    | 938,630,346.53    |
| Disposals or write-off                    | (12,169,178.61)  | (153,389,362.76)                           | (1,106,298.54)   | (1,103,291.77)  | (255,213.10)                    | (168,023,344.78)  |
| Foreign currency translation adjustment   | (13,885,589.23)  | (51,485,885.97)                            | (117,512,556.42) | (16,508,075.04) | (2,138,927.09)                  | (201,531,033.75)  |
| Others                                    | (184,407.53)     | (8,078,509.11)                             | (4,013,775.54)   | (715,909.84)    | -                               | (12,992,602.02)   |
| Closing balance                           | 843,326,196.81   | 3,047,093,764.32                           | 5,544,834,425.56 | 757,610,787.17  | 142,620,035.00                  | 10,335,485,208.86 |
| <b>Impairment provision</b>               |                  |  |                  |                 |                                 |                   |
| Opening balance                           | -                | -  | -                | -               | -                               | -                 |
| Charge for the year                       | 53,709,425.37    | -  | -                | -               | -                               | 53,709,425.37     |
| Disposals or write-off                    | (53,709,425.37)  | -  | -                | -               | -                               | (53,709,425.37)   |
| Closing balance                           | -                | -  | -                | -               | -                               | -                 |
| <b>Net book value</b>                     |                  |  |                  |                 |                                 |                   |
| At the end of the year                    | 913,643,953.32   | 4,714,035,511.54                           | 1,222,724,741.62 | 189,605,591.21  | 35,312,412.67                   | 7,075,322,210.36  |
| At the beginning of the year              | 822,002,078.00   | 4,072,523,665.35                           | 1,311,873,175.91 | 168,001,242.49  | 25,116,166.00                   | 6,399,516,327.75  |

As at 31 December 2025, the Group had no fixed assets that were temporarily idle.

At 31 December 2025, fixed assets leased out under operating leases were as follows:

|           | Cost         | Accumulated depreciation | Impairment provision | Net book value |
|-----------|--------------|--------------------------|----------------------|----------------|
| Buildings | 8,088,805.84 | 5,983,847.24             | -                    | 2,104,958.60   |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Fixed assets (Continued)

As at 31 December 2025, fixed assets of which certificates of title were not obtained were as follows:

|   | Net book value | Reason why certificates of title were not obtained |
|---|----------------|--|
| No. 5 Plant of Guangyuan Technology           | 878,291.82     | Under processing                                   |
| No. 1 Office Building of Guangyuan Technology | 1,010,000.00   | Under processing                                   |
| No. 2 Office Building of Guangyuan Technology | 378,750.00     | Under processing                                   |

#### *Impairment of fixed assets*

During 2025, some mines of the Group were in the status of production suspension for technical transformation. The management assessed that there were indications of impairment in the fixed assets, intangible assets and construction in progress in these mines, and engaged an appraiser to perform an impairment test on these asset groups. When conducting the impairment test, the management determined the recoverable amount of the asset groups based on the present value of the estimated future cash flows. The present value of the estimated future cash flows for the asset groups was comprehensively determined based on mine life forecast data approved by the management, the estimates for future market, economic conditions, etc. The key parameters used for the asset groups included mine reserves, production schedules, future sales volumes, selling prices, production costs, and discount rate. The forecast period for the impairment test was determined based on the mine reserves and the production capacity of the mines. The Group determined the discount rate based on the weighted average cost of capital (WACC), with the calculated pre-tax discount rates ranging from 10.87% to 12.31% (2024: 10.94% to 13.66%).

In 2025, the Zhoujiagou tailings storage facility of Wulong Mining met the criteria for closure, and a full provision for impairment of fixed assets amounting to RMB53,709,425.37 was recognised. The related assets were retired and disposed of during the year (2024: Nil).

As at 31 December 2025, certain fixed assets of the Group were pledged as collateral for the Group's long-term borrowings. For details, please refer to Note V.29.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Construction in progress

| Item                       | 31 December<br>2025   | 31 December<br>2024   |
|----------------------------|-----------------------|-----------------------|
| Construction in progress   | 776,911,092.97        | 677,866,937.65        |
| Less: Impairment provision | -                     | -                     |
| <b>Total</b>               | <b>776,911,092.97</b> | <b>677,866,937.65</b> |

#### Impairment of construction in progress

In 2025, some mines of the Group were in the status of production suspension for technical transformation. The management assessed that there were indications of impairment in the fixed assets, intangible assets and construction in progress in these mines, and engaged an appraiser to perform an impairment test on these asset groups units. For the specific details of the impairment test, please refer to Note V.11.

#### Movements of material construction in progress during the year

The movements of material construction in progress are as follows:

| Project Name   | Budget         | Opening<br>balance | Additions     | Transferred<br>to fixed<br>assets | Foreign<br>currency<br>translation<br>adjustment | Closing<br>balance | Source<br>of funds | Progress of<br>project |
|--|----------------|--------------------|---------------|-----------------------------------|--|--------------------|--------------------|------------------------|
| LXML improvement of the extended area of the western tailings storage facility | 310,180,944.00 | 48,148,388.56      | 58,775,892.86 | (75,054,598.23)                   | (823,152.23)                                     | 31,046,530.96      | Self-raised funds  | 73%                    |
| LXML WTFS development project  | 138,197,760.46 | 61,026,933.49      | 7,826,673.24  | (23,972,959.48)                   | (1,097,030.30)                                   | 43,783,616.95      | Self-raised funds  | 97%                    |
| LXML regrinding mill project   | 50,009,912.00  | 48,517,303.36      | -             | (48,210,157.66)                   | (307,145.70)                                     | -                  | Self-raised funds  | 100%                   |
| LXML resin leaching project  | 113,908,732.80 | 38,307,883.30      | 10,290,198.60 | -                                 | (1,014,903.02)                                   | 47,583,178.88      | Self-raised funds  | 42%                    |
| LXWL Khanong Cu development  | 45,623,940.80  | 7,812,667.68       | 34,540,836.67 | (4,323,254.37)                    | (656,153.02)                                     | 37,374,096.96      | Self-raised funds  | 91%                    |
| LXML copper oxide grinding enhancement project                                 | 49,904,480.00  | -                  | 48,761,286.21 | -                                 | (778,908.11)                                     | 47,982,378.10      | Self-raised funds  | 96%                    |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13. Right-of-use assets

| Item                                    | Buildings       | Machinery and<br>equipment | Leasehold land | Total           |
|---|-----------------|----------------------------|----------------|-----------------|
| <b>Cost</b>                             |                 |                            |                |                 |
| Opening balance                         | 20,429,259.00   | 216,434,645.89             | 77,556,138.11  | 314,420,043.00  |
| Additions                               | 9,250,996.00    | –                          | 6,083,208.00   | 15,334,204.00   |
| Reductions                              | (16,623,623.19) | (2,530,368.00)             | (7,383,560.26) | (26,537,551.45) |
| Foreign currency translation adjustment | (115,975.09)    | (4,805,376.65)             | –              | (4,921,351.74)  |
| Closing balance                         | 12,940,656.72   | 209,098,901.24             | 76,255,785.85  | 298,295,343.81  |
| <b>Accumulated depreciation</b>         |                 |                            |                |                 |
| Opening balance                         | 18,533,406.70   | 72,033,448.70              | 17,055,480.23  | 107,622,335.63  |
| Additions                               | 5,228,745.65    | 23,647,817.86              | 6,568,467.12   | 35,445,030.63   |
| Reductions                              | (16,623,623.19) | (2,530,368.00)             | (7,383,560.26) | (26,537,551.45) |
| Foreign currency translation adjustment | (73,882.91)     | (1,599,318.12)             | –              | (1,673,201.03)  |
| Closing balance                         | 7,064,646.25    | 91,551,580.44              | 16,240,387.09  | 114,856,613.78  |
| <b>Net book value</b>                   |                 |                            |                |                 |
| At the end of the year                  | 5,876,010.47    | 117,547,320.80             | 60,015,398.76  | 183,438,730.03  |
| At the beginning of the year            | 1,895,852.30    | 144,401,197.19             | 60,500,657.88  | 206,797,707.37  |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14. Intangible assets

#### 2025

| Item                                    | Land use rights | Trademarks | Patents      | Exploration and mining rights | Forest land use rights | Exploration and evaluation assets | Other intangible assets | Total             |
|---|-----------------|------------|--------------|-------------------------------|------------------------|-----------------------------------|-------------------------|-------------------|
| <b>Cost</b>                             |                 |            |              |                               |                        |                                   |                         |                   |
| Opening balance                         | 115,410,734.05  | 300,000.00 | 6,714,748.35 | 10,128,096,410.36             | 567,680.00             | 93,870,180.70                     | 73,726,316.60           | 10,418,686,070.06 |
| Purchases                               | -               | -          | -            | -                             | -                      | 169,729,192.28                    | 1,420,000.00            | 171,149,192.28    |
| Additions from acquisitions             | -               | -          | -            | 178,634,784.49                | -                      | -                                 | -                       | 178,634,784.49    |
| Transferred to mining rights            | -               | -          | -            | 12,623,093.13                 | -                      | (12,623,093.13)                   | -                       | -                 |
| Foreign currency translation adjustment | -               | -          | -            | (187,767,369.70)              | -                      | (3,180,192.49)                    | (1,522,865.80)          | (192,470,427.99)  |
| Disposal or write-off                   | -               | -          | -            | (739,011,659.90)              | -                      | -                                 | (814,347.74)            | (739,826,007.64)  |
| Others                                  | (2,347,084.00)  | -          | -            | -                             | -                      | -                                 | -                       | (2,347,084.00)    |
| Closing balance                         | 113,063,650.05  | 300,000.00 | 6,714,748.35 | 9,392,575,258.38              | 567,680.00             | 247,796,087.36                    | 72,809,103.06           | 9,833,826,527.20  |
| <b>Accumulated amortisation</b>         |                 |            |              |                               |                        |                                   |                         |                   |
| Opening balance                         | 16,283,472.70   | 300,000.00 | 4,541,272.65 | 3,964,401,107.04              | 124,717.41             | -                                 | 60,045,162.52           | 4,045,695,732.32  |
| Amortisation provided for the year      | 2,474,309.23    | -          | 601,435.41   | 240,369,220.89                | 10,321.44              | -                                 | 3,651,721.20            | 247,107,008.17    |
| Foreign currency translation adjustment | -               | -          | -            | (66,148,607.52)               | -                      | -                                 | (1,340,507.97)          | (67,489,115.49)   |
| Disposal or write-off                   | -               | -          | -            | (739,011,659.90)              | -                      | -                                 | (603,896.84)            | (739,615,556.74)  |
| Closing balance                         | 18,757,781.93   | 300,000.00 | 5,142,708.06 | 3,399,610,060.51              | 135,038.85             | -                                 | 61,752,478.91           | 3,485,698,068.26  |
| <b>Impairment provision</b>             |                 |            |              |                               |                        |                                   |                         |                   |
| Opening balance                         | -               | -          | -            | 53,995,800.00                 | -                      | -                                 | -                       | 53,995,800.00     |
| Closing balance                         | -               | -          | -            | 53,995,800.00                 | -                      | -                                 | -                       | 53,995,800.00     |
| <b>Net book value</b>                   |                 |            |              |                               |                        |                                   |                         |                   |
| At the end of the year                  | 94,305,868.12   | -          | 1,572,040.29 | 5,938,969,397.87              | 432,641.15             | 247,796,087.36                    | 11,056,624.15           | 6,294,132,658.94  |
| At the beginning of the year            | 99,127,261.35   | -          | 2,173,475.70 | 6,109,699,503.32              | 442,962.59             | 93,870,180.70                     | 13,681,154.08           | 6,318,994,537.74  |

In 2025, several mines of the Group were in the status of production suspension for technical transformation. The management has assessed that there are indications of impairment for the fixed assets, intangible assets, and construction in progress in these mines, and engaged an appraiser to perform impairment tests on these asset groups. For the specific details of the impairment tests, please refer to Note V.11. As at 31 December 2025, the Group has no intangible assets subject to any restrictions on title or use.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Goodwill

#### (1) Original value of goodwill

| Item                 | Opening<br>balance and<br>closing balance |
|----------------------|---|
| Guangyuan Technology | 41,968,889.08                             |

#### (2) Goodwill impairment provision

| Item                 | Opening<br>balance | Provision for<br>the current year | Closing<br>balance |
|----------------------|--------------------|-----------------------------------|--------------------|
| Guangyuan Technology | –                  | 26,227,289.77                     | 26,227,289.77      |

#### (3) Relevant information of the asset groups or sets of asset groups in which goodwill is allocated

As at 31 December 2025, the original value of goodwill for the Group was RMB41,968,889.08 (31 December 2024: RMB41,968,889.08), arising from the Group's acquisition of the subsidiary Guangyuan Technology in 2015. The Group treats the above subsidiary as a separate cash-generating unit ("CGU") for goodwill impairment testing purposes. The CGU primarily comprises the long-term assets that constitute the relevant asset groups containing goodwill, which is consistent with the asset groups determined on the acquisition date and in prior years' impairment tests. The products of the CGU are sold in an active market and are capable of generating independent cash inflows. For internal management purposes, this CGU is allocated to the "Others" segment.

#### (4) Impairment test of goodwill

The recoverable amount of Guangyuan Technology is determined based on the present value of the estimated future cash flows. The Company projects cash flows for the next five years based on the financial budget approved by Guangyuan Technology's management. Cash flows for subsequent years are estimated on a perpetual basis (zero growth rate). The discount rate is determined based on the WACC, resulting in a calculated pre-tax discount rate of 10.49% (2024: 8.61%). According to the impairment test results, an impairment provision for goodwill of RMB26,227,289.77 was recognised for Guangyuan Technology in the current year (2024: Nil).

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Goodwill (Continued)

(4) Impairment test of goodwill (Continued)

| Item  | Guangyuan<br>Technology |
|---|-------------------------|
| Carrying amount of goodwill before impairment testing   | 41,968,889.08           |
| Unrecognised goodwill attributable to non-controlling interests before impairment testing                                       | 34,338,181.97           |
| Carrying amount of goodwill before impairment testing, including unrecognised portion attributable to non-controlling interests | 76,307,071.05           |
| Carrying amount of the asset group before impairment testing  | 66,502,610.35           |
| Carrying amount of the asset group before impairment testing, including total goodwill  | 142,809,681.40          |
| Present value of estimated future cash flows of the asset group (recoverable amount)  | 95,123,700.00           |
| Total goodwill impairment loss  | 47,685,981.40           |
| Goodwill impairment loss attributable to the Group  | 26,227,289.77           |

### 16. Long-term deferred expenses

| Item                          | Opening<br>balance | Addition      | Amortisation  | Closing<br>balance   |
|-------------------------------|--------------------|---------------|---------------|----------------------|
| License fees for mining right | 350,312.50         | –             | 48,750.00     | <b>301,562.50</b>    |
| Preliminary fees for mining   | –                  | 48,263,753.97 | 11,377,343.13 | <b>36,886,410.84</b> |
| Total                         | 350,312.50         | 48,263,753.97 | 11,426,093.13 | <b>37,187,973.34</b> |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 17. Deferred tax assets/liabilities

Deferred tax assets before offsetting

| Item   | 31 December 2025                 |                       | 31 December 2024                 |                       |
|--|----------------------------------|-----------------------|----------------------------------|-----------------------|
|  | Deductible temporary differences | Deferred tax assets   | Deductible temporary differences | Deferred tax assets   |
| Provision - land restoration obligations             | 217,331,797.80                   | 62,969,110.82         | 177,224,868.34                   | 48,923,533.60         |
| Difference in depreciation and amortisation policies | 191,678,070.75                   | 63,241,822.96         | 150,383,256.30                   | 50,127,752.10         |
| Lease liabilities                                    | 179,788,719.88                   | 53,968,660.94         | 164,313,102.17                   | 57,509,585.76         |
| Deductible tax losses<br>(Note 1)                    | 89,743,552.63                    | 22,435,888.16         | –                                | –                     |
| Hedging losses (Note 2)                              | 81,130,216.20                    | 28,395,575.67         | –                                | –                     |
| Deferred income                                      | 5,948,000.91                     | 892,200.14            | 6,838,500.83                     | 1,063,925.09          |
| Bad debt provision for receivables                   | 5,311,997.16                     | 831,534.02            | 5,239,831.87                     | 821,357.03            |
| Inventory impairment provision                       | 4,870,074.80                     | 831,777.42            | 5,663,860.45                     | 1,064,772.96          |
| Changes in fair value                                | –                                | –                     | 107,738,300.00                   | 16,160,745.00         |
| Other  | 59,167,832.67                    | 8,875,174.90          | 64,421,163.52                    | 9,556,602.59          |
| <b>Total</b>   | <b>834,970,262.80</b>            | <b>242,441,745.03</b> | <b>681,822,883.48</b>            | <b>185,228,274.13</b> |

*Note 1:* As at 31 December 2025, deferred tax assets arising from the above deductible losses were recognised to the extent that it was probable that taxable profit would be available against which the deductible tax losses can be utilised.

*Note 2:* The product hedging losses of GSWL can be used to offset future hedging gains. Deferred tax assets were recognised for these losses in the current year.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 17. Deferred tax assets/liabilities (Continued)

*Deferred tax liabilities before offsetting*

| Item  | 31 December 2025              |                          | 31 December 2024              |                          |
|---|-------------------------------|--------------------------|-------------------------------|--------------------------|
|   | Taxable temporary differences | Deferred tax liabilities | Taxable temporary differences | Deferred tax liabilities |
| Business combination not under common control         | 5,372,504,350.51              | 1,880,376,522.68         | 5,594,835,235.49              | 1,958,192,332.42         |
| Differences in depreciation and amortisation policies | 1,376,496,627.39              | 463,120,836.11           | 1,217,598,882.55              | 416,852,092.52           |
| Right-of-use assets                                   | 182,820,809.66                | 51,185,622.43            | 144,401,197.20                | 50,540,419.02            |
| Fixed assets – land restoration obligations           | 62,469,303.95                 | 10,475,094.30            | 66,828,997.55                 | 11,129,048.63            |
| Changes in fair value                                 | –                             | –                        | 5,251,800.00                  | 787,770.00               |
| Other   | 79,806,499.26                 | 14,451,294.92            | 67,354,802.42                 | 10,103,220.37            |
| Total   | 7,074,097,590.77              | 2,419,609,370.44         | 7,096,270,915.21              | 2,447,604,882.96         |

*Net balance of the deferred tax assets and deferred tax liabilities after offsetting*

| Item                     | 31 December 2025 |                                  | 31 December 2024 |                                  |
|--------------------------|------------------|----------------------------------|------------------|----------------------------------|
|                          | Offset amount    | Closing balance after offsetting | Offset amount    | Closing balance after offsetting |
| Deferred tax assets      | 167,319,877.28   | 75,121,867.75                    | 117,999,627.69   | 67,228,646.44                    |
| Deferred tax liabilities | 167,319,877.28   | 2,252,289,493.16                 | 117,999,627.69   | 2,329,605,255.27                 |

*Details of the unrecognised deferred tax assets*

| Item   | 31 December 2025 | 31 December 2024 |
|--|------------------|------------------|
| Deductible temporary differences – Inventory impairment provision              | 70,474,716.48    | –                |
| Deductible temporary differences – bad debt provision for receivables          | 6,918.71         | 134,210.86       |
| Deductible temporary differences – provisions for land restoration obligations | –                | 1,103,791.07     |
| Deductible tax losses  | 429,550,103.92   | 360,793,545.04   |
| Total  | 500,031,739.11   | 362,031,546.97   |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 17. Deferred tax assets/liabilities (Continued)

Deductible tax losses of unrecognised deferred tax assets will expire in the following years:

| Year                         | 31 December 2025 | 31 December 2024 | Note                                     |
|------------------------------|------------------|------------------|--|
| 2025                         | –                | 4,668,142.74     | /  |
| 2026                         | 19,165,664.23    | 46,636,666.58    | /  |
| 2027                         | 120,969,397.85   | 134,244,057.17   | /  |
| 2028                         | 69,938,362.20    | 44,907,991.32    | /  |
| 2029                         | 77,397,293.61    | 73,693,030.17    | /  |
| 2030                         | 86,164,935.15    | –                | Not yet certified by the tax authorities |
| 2031 and the following years | 55,914,450.88    | 56,643,657.06    | Not yet certified by the tax authorities |
| Total                        | 429,550,103.92   | 360,793,545.04   | /  |

It is probable that sufficient taxable profit will be available against which deductible tax losses and temporary differences can be utilised in the future, except those that were not recognised as deferred tax assets. Therefore, the Group recognised the related deferred tax assets.

### 18. Other non-current assets

| Item   | 31 December 2025 |                          |                | 31 December 2024 |                          |                |
|--|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
|  | Carrying amount  | Provision for impairment | Net book value | Carrying amount  | Provision for impairment | Net book value |
| Mine restoration and improvement of ecological environment in mines fund | 121,120,040.47   | –                        | 121,120,040.47 | 113,848,420.90   | –                        | 113,848,420.90 |
| Prepayments for land use rights  | 80,642,938.85    | –                        | 80,642,938.85  | –                | –                        | –              |
| Prepayments for fixed asset and constructions                            | 51,707,823.37    | –                        | 51,707,823.37  | 24,097,768.28    | –                        | 24,097,768.28  |
| Payments for acquisition   | –                | –                        | –              | 68,570,147.60    | –                        | 68,570,147.60  |
| Less: the portion due within one year                                    | –                | –                        | –              | –                | –                        | –              |
| Total  | 253,470,802.69   | –                        | 253,470,802.69 | 206,516,336.78   | –                        | 206,516,336.78 |

As at 31 December 2025, the RMB121,120,040.47 of the other non-current assets (including the portion due within one year) was in restriction (31 December 2024: RMB113,848,420.90) for the mine restoration and improvement of ecological environment in mines fund which cannot be withdrawn at any time.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 19. Assets with restrictions on title or use

31 December 2025

| Item                     | Net book value<br>at the end<br>of the year | Reasons of<br>being restriction                    |
|--------------------------|---|--|
| Cash and bank balances   | 118,011,032.64                              | Refer to the note V.1 to the financial statements  |
| Other non-current assets | 121,120,040.47                              | Refer to the note V.18 to the financial statements |
| Fixed assets             | 195,271,568.52                              | Refer to the note V.29 to the financial statements |
| Total                    | 434,402,641.63                              | /  |

### 20. Short-term borrowings

| Item                  | 31 December<br>2025 | 31 December<br>2024 |
|-----------------------|---------------------|---------------------|
| Guaranteed borrowings | 704,131.97          | 313,337,113.18      |
| Gold leasing          | 706,896,499.34      | 494,636,974.72      |
| Credit borrowings     | -                   | 300,225,077.77      |
| Total                 | 707,600,631.31      | 1,108,199,165.67    |

As at 31 December 2025, the short-term borrowings include RMB-denominated loans and USD-denominated loans. (as at 31 December 2024: RMB and USD). As at 31 December 2025, the annual interest rates of the above-mentioned borrowings ranged from 1.20% to 5.34% (as at 31 December 2024: from 2.35% to 5.70%).

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20. Short-term borrowings (Continued)

#### (1) Guaranteed borrowings

As at 31 December 2025, the Company provided guarantees for the bank loans of LXML amounting to RMB704,131.97 (31 December 2024: the Company provided guarantees for the bank loans of Jilong Mining, Guangyuan Technology and LXML, amounting to RMB313,337,113.18).

#### (2) Gold leasing

When leasing gold, the Group simultaneously enters into a forward contract with the same bank that provides the gold leasing. The forward contract has the same quantity, specifications and maturity date as those of the gold leasing. It is agreed that on the maturity date, the Group will purchase from the bank gold of the same quantity and specifications at the agreed RMB price, which will be used to repay the leased gold. The Group believes that under this business model of gold leasing, the risk of fluctuations in the gold price during the gold leasing period is entirely borne by the bank, and the Group only bears the agreed gold leasing fees and related handling fees. Accordingly, the Group recognises the present value of the amount repayable at maturity as short-term borrowings.

As at 31 December 2025, The Company has provided guarantees for gold leasing totaling RMB456,682,858.38, including RMB200,731,447.01 for Jilong Mining and RMB255,951,411.37 for Wulong Mining. (31 December 2024: the Group provided guarantees for the gold leasing by Jilong Mining amounting to RMB275,999,890.00).

As at 31 December 2025, the Group had no overdue and unpaid short-term borrowings (31 December 2024: Nil).

### 21. Financial liabilities held for trading

| Item   | 31 December<br>2025 | 31 December<br>2024 |
|--|---------------------|---------------------|
| Financial liabilities at fair value through profit or loss | -                   | 707,020,000.00      |
| Including:   |                     |                     |
| Gold leasing   | -                   | 707,020,000.00      |
| Total  | -                   | 707,020,000.00      |

The Group financed through leasing gold from banks and subsequently sold the leased gold through the Shanghai Gold Exchange. On maturity of the leases, the Group would return the gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange, and pay the agreed leasing fees. The maturity period of gold leasing was within one year (one year inclusive). The year-end balance of the gold lease liability represents the fair value of the gold leased from banks as of the reporting date.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 22. Trade payables

Trade payables do not bear interest and are usually settled within 2 months.

| Item                                  | 31 December<br>2025   | 31 December<br>2024 |
|---------------------------------------|-----------------------|---------------------|
| Payables for procurement of materials | 337,649,423.61        | 283,881,250.13      |
| Payables for services                 | 263,623,571.90        | 210,723,785.00      |
| Payables for constructions            | 162,172,526.13        | 118,326,565.73      |
| Payables for equipment                | 51,061,414.60         | 44,902,109.55       |
| Payables for transportation           | 32,281,432.46         | 22,798,835.44       |
| Others                                | 7,239,608.98          | 3,938,637.89        |
| <b>Total</b>                          | <b>854,027,977.68</b> | 684,571,183.74      |

An ageing analysis of the trade payables, based on the invoice dates, is as follows:

| Ageing                          | 31 December<br>2025   | 31 December<br>2024 |
|---------------------------------|-----------------------|---------------------|
| Within 1 year                   | 836,769,161.05        | 664,369,929.71      |
| Over 1 year but within 2 years  | 15,922,713.24         | 17,022,892.99       |
| Over 2 years but within 3 years | 806,985.70            | 2,548,603.73        |
| Over 3 years                    | 529,117.69            | 629,757.31          |
| <b>Total</b>                    | <b>854,027,977.68</b> | 684,571,183.74      |

As at 31 December 2025, the Group had no significant trade payables aged over 1 year (as at 31 December 2024: Nil).

### 23. Contract liabilities

| Item   | 31 December<br>2025  | 31 December<br>2024 |
|--|----------------------|---------------------|
| Advances from sales of goods                               | 5,401,017.16         | 4,469,498.46        |
| Contract liabilities of Metal Streaming Arrangement (Note) | 42,683,764.66        | 52,129,450.57       |
| <b>Total</b>   | <b>48,084,781.82</b> | 56,598,949.03       |

Note: Further details of the Metal Streaming Arrangement, please refer to Note V. 34.

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**V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

## 24. Employee benefits payable

| Item                         | Opening balance | Additions        | Reductions       | Closing balance       |
|------------------------------|-----------------|------------------|------------------|-----------------------|
| Short-term employee benefits | 167,748,468.66  | 1,421,981,470.87 | 1,411,529,982.76 | <b>178,199,956.77</b> |
| Post-employment benefits     |                 |                  |                  |                       |
| – defined contribution plan  | 43,144.71       | 32,717,996.21    | 31,810,750.24    | <b>950,390.68</b>     |
| Termination benefits         | 3,481,961.78    | 944,266.86       | 4,426,228.64     | -                     |
| Total                        | 171,273,575.15  | 1,455,643,733.94 | 1,447,766,961.64 | <b>179,150,347.45</b> |

Short-term employee benefits:

| Item   | Opening balance | Additions        | Reductions       | Closing balance       |
|--|-----------------|------------------|------------------|-----------------------|
| Wages or salaries, bonuses, allowances and subsidies | 119,772,497.41  | 1,134,875,022.42 | 1,100,801,985.14 | <b>153,845,534.69</b> |
| Staff welfare  | 16,491,358.90   | 213,504,630.39   | 229,994,235.29   | <b>1,754.00</b>       |
| Social security contributions                        | 324,054.35      | 34,659,060.14    | 34,680,949.84    | <b>302,164.65</b>     |
| Including: Medical (Maternity) insurance             | 323,384.95      | 31,511,386.87    | 31,533,399.72    | <b>301,372.10</b>     |
| Work-related injury insurance                        | 669.40          | 3,147,673.27     | 3,147,550.12     | <b>792.55</b>         |
| Housing provident fund                               | 17,368.00       | 3,410,880.06     | 3,410,911.06     | <b>17,337.00</b>      |
| Employee union fund and employee education fund      | 10,369,809.30   | 16,558,951.17    | 22,316,922.28    | <b>4,611,838.19</b>   |
| Short-term paid absences                             | 20,773,380.70   | 18,904,613.35    | 20,256,665.81    | <b>19,421,328.24</b>  |
| Other short-term employee benefits                   | -               | 68,313.34        | 68,313.34        | -                     |
| Total  | 167,748,468.66  | 1,421,981,470.87 | 1,411,529,982.76 | <b>178,199,956.77</b> |

Defined contribution plan:

| Item                    | Opening balance | Additions     | Reductions    | Closing balance   |
|-------------------------|-----------------|---------------|---------------|-------------------|
| Basic pension insurance | 41,837.28       | 31,296,198.49 | 30,388,677.64 | <b>949,358.13</b> |
| Unemployment insurance  | 1,307.43        | 1,421,797.72  | 1,422,072.60  | <b>1,032.55</b>   |
| Total                   | 43,144.71       | 32,717,996.21 | 31,810,750.24 | <b>950,390.68</b> |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 25. Taxes payable

| Item                           | 31 December<br>2025 | 31 December<br>2024 |
|--------------------------------|---------------------|---------------------|
| CIT                            | 1,087,135,382.77    | 548,456,058.08      |
| Resources tax                  | 163,734,253.65      | 125,924,561.33      |
| Growth and sustainability levy | 73,565,759.07       | 577,616.55          |
| Individual income tax          | 5,902,279.41        | 14,034,020.32       |
| VAT                            | 4,978,558.46        | 4,859,509.23        |
| Others                         | 2,773,988.25        | 5,099,579.59        |
| Total                          | 1,338,090,221.61    | 698,951,345.10      |

### 26. Other payables

| Item           | 31 December<br>2025 | 31 December<br>2024 |
|----------------|---------------------|---------------------|
| Other payables | 409,073,379.19      | 225,263,620.79      |

#### Other payables by nature

| Item  | 31 December<br>2025 | 31 December<br>2024 |
|---|---------------------|---------------------|
| Phase III Employee Share Ownership Plan                     | 222,704,873.69      | –                   |
| Entities transactions                                       | 65,573,529.08       | 61,959,761.47       |
| Guarantees and deposits                                     | 46,943,054.73       | 39,381,993.69       |
| Amounts due to non-controlling shareholders of subsidiaries | 58,290,000.00       | 65,829,000.00       |
| Consideration payables for acquiring a subsidiary (Note)    | –                   | 32,643,060.00       |
| Withholding of employee payments                            | 8,017,873.56        | 5,696,347.81        |
| Overdue fines and penalties                                 | –                   | 12,916,183.00       |
| Others  | 7,544,048.13        | 6,837,274.82        |
| Total   | 409,073,379.19      | 225,263,620.79      |

Note: The consideration payables represented the payables for the Company's acquisition of Xinhenghe Mining in 2023, which were fully settled in April 2025.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 26. Other payables (Continued)

As at 31 December 2025, the significant other payables with an aging of more than one year are as follows:

| Item                                    | 31 December<br>2025 | Reasons for<br>not being settled          |
|---|---------------------|---|
| Amounts due to non-controlling interest | 58,290,000.00       | The payment conditions have not been met. |

As at 31 December 2024, there were no significant other payables aged more than one year.

### 27. Non-current liabilities due within one year

| Item                                    | 31 December<br>2025 | 31 December<br>2024 |   |
|---|---------------------|---------------------|---|
| Current portion of long-term borrowings | 100,793,640.80      | 282,332,391.58      | Please refer to Note V.29 to the financial statements |
| Current portion of lease liabilities    | 35,228,262.99       | 37,840,407.18       | Please refer to Note V.30 to the financial statements |
| Current portion of long-term payables   | 6,071,669.43        | 5,786,190.51        | Please refer to Note V.31 to the financial statements |
| Current portion of provisions           | 45,131,767.18       | 72,504,936.80       | Please refer to Note V.32 to the financial statements |
| Total                                   | 187,225,340.40      | 398,463,926.07      | /   |

### 28. Other current liabilities

| Item                         | 31 December<br>2025 | 31 December<br>2024 |
|------------------------------|---------------------|---------------------|
| Output VAT to be transferred | 185,670.01          | 506,030.14          |
| Others                       | 163,039.55          | 166,741.62          |
| Total                        | 348,709.56          | 672,771.76          |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 29. Long-term borrowings

| Item  | 31 December<br>2025 | 31 December<br>2024 |
|---|---------------------|---------------------|
| Secured and pledged borrowings                | 100,367,878.16      | 604,206,806.86      |
| Credit borrowings                             | 70,043,161.23       | –                   |
| Guaranteed borrowings                         | –                   | 277,628,570.58      |
| Subtotal                                      | 170,411,039.39      | 881,835,377.44      |
| Less: Current portion of long-term borrowings | 100,793,640.80      | 282,332,391.58      |
| Total   | 69,617,398.59       | 599,502,985.86      |

As at 31 December 2025, all long-term borrowings were RMB loans, with the principal of RMB169,800,000.00 (31 December 2024: RMB loans and foreign currency loans, with the principal of RMB648,560,000.00 and USD 33,000,000.00 respectively). As at 31 December 2025, the annual interest rates of the above-mentioned borrowings ranged from 2.70% to 3.15% (31 December 2024: from 3.20% to 5.69%).

#### (1) Secured and pledged borrowings

As at 31 December 2024, long-term borrowing of RMB403,376,482.29 was secured by 100% equity of Wulong Mining, 100% equity of Jilong Mining and 100% equity of Chijin HK as pledges, and intangible assets with net book value of RMB55,418,562.78 as collateral. As at 31 December 2025, the borrowing was fully repaid, and the procedures for releasing the pledges and collateral on the related equity and intangible assets were completed.

As at 31 December 2025, the Group's long-term borrowing of RMB100,367,878.16 was secured by the fixed assets of Wulong Mining with the net book value of RMB135,119,736.54 and the fixed assets of Jilong Mining with the net book value of RMB60,151,831.98 (31 December 2024: long-term borrowing of RMB200,830,324.57 was secured by the fixed assets of Wulong Mining with the net book value of RMB162,997,409.17 and the fixed assets of Jilong Mining with the net book value of RMB69,607,212.96).

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 29. Long-term borrowings (Continued)

#### (2) Guaranteed borrowings

As at 31 December 2025, the Group had no guarantees for the bank borrowings (31 December 2024: the Group provided guarantees for the bank borrowings of Guangyuan Technology amounting to RMB39,998,803.65 and those of LXML amounting to approximately RMB237,629,766.93).

The analysis of the maturity dates of long-term borrowings is as follows:

|                                      | 31 December<br>2025 | 31 December<br>2024 |
|--------------------------------------|---------------------|---------------------|
| Within 1 year or repayable on demand | 100,793,640.80      | 282,332,391.58      |
| Over 1 year but within 2 years       | 69,617,398.59       | 379,571,871.75      |
| Over 2 years but within 5 years      | –                   | 219,931,114.11      |
| Total                                | 170,411,039.39      | 881,835,377.44      |

### 30. Lease liabilities

| Item                                       | 31 December<br>2025 | 31 December<br>2024 |
|--|---------------------|---------------------|
| Lease liabilities                          | 183,745,252.78      | 217,436,431.65      |
| Less: Current portion of lease liabilities | 35,228,262.99       | 37,840,407.18       |
| Total                                      | 148,516,989.79      | 179,596,024.47      |

| Item   | 31 December<br>2025 | 31 December<br>2024 |
|--|---------------------|---------------------|
| Opening balance                              | 217,436,431.65      | 245,302,797.42      |
| New leases                                   | 9,981,376.00        | 4,837,345.03        |
| Interest expenses recognised during the year | 9,725,185.80        | 11,067,559.76       |
| Foreign currency translation adjustment      | (5,077,386.16)      | 2,795,333.41        |
| Payments during the year                     | (48,320,354.51)     | (46,566,603.97)     |
| Closing balance                              | 183,745,252.78      | 217,436,431.65      |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 30. Lease liabilities (Continued)

The analysis of the maturity dates of lease liabilities is as follows:

|                                      | <b>31 December<br/>2025</b> | 31 December<br>2024 |
|--------------------------------------|-----------------------------|---------------------|
| Within 1 year or repayable on demand | <b>35,228,262.99</b>        | 37,840,407.18       |
| Over 1 year but within 2 years       | <b>28,379,179.44</b>        | 28,571,618.79       |
| Over 2 years but within 5 years      | <b>93,644,060.65</b>        | 91,157,344.26       |
| Over 5 years                         | <b>26,493,749.70</b>        | 59,867,061.42       |
| Total                                | <b>183,745,252.78</b>       | 217,436,431.65      |

### 31. Long-term payables

| <b>Item</b>                                 | <b>31 December<br/>2025</b> | 31 December<br>2024 |
|---|-----------------------------|---------------------|
| Payables for acquisitions of mining rights  | <b>59,167,832.67</b>        | 64,954,023.18       |
| Less: Current portion of long-term payables | <b>6,071,669.43</b>         | 5,786,190.51        |
| Total                                       | <b>53,096,163.24</b>        | 59,167,832.67       |

The analysis of the maturity dates of long-term payables is as follows:

|  | <b>31 December<br/>2025</b> | 31 December<br>2024 |
|--|-----------------------------|---------------------|
| Within one year or repayable on demand | <b>6,071,669.43</b>         | 5,786,190.51        |
| Over 1 year but within 2 years         | <b>6,371,293.97</b>         | 6,071,669.43        |
| Over 2 years but within 5 years        | <b>21,063,854.14</b>        | 20,072,891.89       |
| Over 5 years                           | <b>25,661,015.13</b>        | 33,023,271.35       |
| Total                                  | <b>59,167,832.67</b>        | 64,954,023.18       |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 32. Provisions

| Item  | 31 December<br>2025 | 31 December<br>2024 |
|---|---------------------|---------------------|
| Provision for environmental rehabilitation and restoration of mines – domestic subsidiaries | 71,712,915.14       | 72,153,136.19       |
| Provision for environmental rehabilitation and restoration of mines – LXML                  | 1,477,394,142.49    | 1,677,809,540.72    |
| Provision for environmental rehabilitation and restoration of mines – GSWL                  | 145,618,882.41      | 106,175,522.97      |
| Provision for environmental rehabilitation and restoration of mines – Chixia Mining         | 3,907,272.74        | -                   |
| Subtotal  | 1,698,633,212.78    | 1,856,138,199.88    |
| Less: Current portion of provisions   | 45,131,767.18       | 72,504,936.80       |
| Total   | 1,653,501,445.60    | 1,783,633,263.08    |

| Item  | Opening<br>balance | Additions     | Reductions     | Foreign<br>currency<br>translation<br>adjustment | Closing<br>balance |
|---|--------------------|---------------|----------------|--|--------------------|
| Provision for environmental rehabilitation and restoration of mines – domestic subsidiaries | 72,153,136.19      | 2,597,512.97  | 3,037,734.02   | -  | 71,712,915.14      |
| Provision for environmental rehabilitation and restoration of mines – LXML                  | 1,677,809,540.72   | 10,695,204.60 | 176,551,083.30 | (34,559,519.53)                                  | 1,477,394,142.49   |
| Provision for environmental rehabilitation and restoration of mines – GSWL                  | 106,175,522.97     | 48,558,188.64 | 6,776,022.08   | (2,338,807.12)                                   | 145,618,882.41     |
| Provision for environmental rehabilitation and restoration of mines – Chixia Mining         | -                  | 3,907,272.74  | -              | -  | 3,907,272.74       |
| Total   | 1,856,138,199.88   | 65,758,178.95 | 186,364,839.40 | (36,898,326.65)                                  | 1,698,633,212.78   |

The provision represents environmental rehabilitation and restoration of mines based on estimation of the lives of mining tenements, timing of mine closure and costs of rehabilitation to be incurred at mine closure, and will be updated according to the latest mine rehabilitation plan.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 33. Deferred income

| Item   | Opening balance | Additions | Recognised in other income | Closing balance     | Reason        |
|--|-----------------|-----------|----------------------------|---------------------|---------------|
| Special subsidies for Tianbaoshan environmental rehabilitation and technological transformation and restructuring of enterprises | 333,333.90      | –         | 99,999.96                  | <b>233,333.94</b>   | Asset-related |
| Subsidy funds related to re-modification of mineral processing plant   | 423,666.93      | –         | 123,999.96                 | <b>299,666.97</b>   | Asset-related |
| Subsidies for new projects granted by Hefei Economic and Information Commission  | 381,500.00      | –         | 381,500.00                 | –                   | Asset-related |
| Special fund for the high-quality development of the manufacturing industry  | 300,000.00      | –         | 15,000.00                  | <b>285,000.00</b>   | Asset-related |
| Enterprise development support funds of the Bureau of Industry and Information Technology  | 5,400,000.00    | –         | 270,000.00                 | <b>5,130,000.00</b> | Asset-related |
| Total  | 6,838,500.83    | –         | 890,499.92                 | <b>5,948,000.91</b> | /             |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 34. Other non-current liabilities

| Item   | 31 December<br>2025   | 31 December<br>2024 |
|--|-----------------------|---------------------|
| Contract liabilities – Metal Streaming Arrangement | <b>563,555,634.09</b> | 596,094,797.55      |

*Note:* GSR, acquired by the Group in 2022, had the following transaction: In May 2015, GSR entered into a gold purchase and sale agreement (the “**Metal Streaming Arrangement**”) with RGLD Gold AG through its subsidiary Caystar Finance Co., in which GSR obtained USD145,000,000 from RGLD Gold AG. GSR committed to delivering a portion of its future gold production to RGLD Gold AG. The agreement is divided into two phases. In the first phase, GSR fulfilled its delivery obligation with 10.5% of its gold production, and RGLD Gold AG shall pay for the gold at 20.0% of the spot gold price until GSR completed the delivery of 240,000.00 ounces of gold. Thereafter the second phase begins, 5.5% of gold production will be delivered at 30% of spot gold price. As at 31 December 2025, GSR delivered an accumulated 206,659.41 ounces of gold to RGLD Gold AG.

Based on the estimation of the ore reserves of GSR as at 31 December 2025, the Group expects that the delivery obligation of the Metal Streaming Arrangement will be satisfied in 2049.

The movements of contract liabilities – Metal Streaming Arrangement for the year ended 31 December 2025 are as follows:

|  | <b>Gold delivery<br/>obligation</b> |
|--|-------------------------------------|
| Opening balance  | 648,224,248.12                      |
| Revenue recognised from delivery of gold                                 | (44,162,924.62)                     |
| Financial expenses   | 16,267,672.54                       |
| Foreign currency translation adjustment                                  | (14,089,597.29)                     |
| Closing balance  | 606,239,398.75                      |
| Including: Current portion of contract liabilities ( <i>Note V. 23</i> ) | 42,683,764.66                       |
| Closing balance  | <b>563,555,634.09</b>               |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 35. Share capital

| Item          | Opening balance  | Additions      | Closing balance         |
|---------------|------------------|----------------|-------------------------|
| Share capital | 1,663,911,378.00 | 236,499,800.00 | <b>1,900,411,178.00</b> |

In 2025, as approved by the Listing Committee of Hong Kong Stock Exchange, the Company's issuance of 205,652,000 shares was listed and commenced trading on the Main Board of Hong Kong Stock Exchange. Additionally, through the exercise of the over-allotment option, the Company further issued 30,847,800 H shares, resulting in a total increase of 236,499,800 shares in the share capital. The shares were issued at a price of HK\$13.72 per share, and the capital reserve increased by RMB2,636,594,433.10 accordingly.

### 36. Capital reserve

| Item          | Opening balance | Additions        | Closing balance         |
|---------------|-----------------|------------------|-------------------------|
| Share premium | 626,736,519.64  | 2,636,594,433.10 | <b>3,263,330,952.74</b> |

### 37. Treasury shares

| Item   | Opening and closing balance |
|--|-----------------------------|
| Repurchase of shares of the Company for the purpose of Employee Share Ownership Plan | <b>220,015,940.99</b>       |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 38. Other comprehensive (loss)/income

The accumulated balance of other comprehensive income attributable to shareholders of the parent in the consolidated statement of financial position is as follows:

#### 2025

| Item   | Opening balance | Amount before tax | Movements                 |   |  | Closing balance |
|--|-----------------|-------------------|---------------------------|---|--|-----------------|
|  |                 |                   | Less: Income tax expenses | Amount attributable to shareholders of the parent after tax | Amount attributable to non-controlling interests after tax |                 |
| Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods |                 |                   |                           |   |  |                 |
| Foreign currency translation adjustment  | 145,710,300.63  | (197,493,708.86)  | -                         | (149,670,516.33)  | (47,823,192.53)  | (3,960,215.70)  |

### 39. Special reserve

| Item             | Opening balance | Additions     | Reductions    | Closing balance |
|------------------|-----------------|---------------|---------------|-----------------|
| Work safety fund | 3,347,876.91    | 47,571,580.60 | 50,919,457.51 | -               |

### 40. Surplus reserve

| Item                      | Opening and closing balance |
|---------------------------|-----------------------------|
| Statutory surplus reserve | 269,782,850.97              |

Pursuant to the stipulations of the Company Law of PRC and the Articles of Associations of the Company, the Company shall make provision for statutory surplus reserve at the amount of 10% of net profit. Provision for statutory surplus reserve is optional if the aggregate balance of the statutory surplus reserve reaches 50% of the Company's registered capital. In 2025, the Company reported a loss and did not make any appropriation to the statutory surplus reserve.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 41. Retained earnings

| Item   | 2025             | 2024             |
|--|------------------|------------------|
| Opening balance  | 5,427,338,050.01 | 3,811,493,217.07 |
| Add: Net profit attributable to shareholders of the parent | 3,082,367,791.68 | 1,764,339,650.99 |
| Less: Appropriation to statutory surplus reserve           | –                | 66,058,379.15    |
| Less: Cash dividends payable for ordinary shareholders     | 304,065,788.48   | 82,436,438.90    |
| Closing balance  | 8,205,640,053.21 | 5,427,338,050.01 |

Pursuant to the resolution passed on the annual general meeting of the Company held on 12 June 2025, the Company distributed a cash dividend of RMB0.16 per share (2024: RMB0.05 per share) to shareholders recorded on the ex-dividend date, calculated on the basis of number of the issued shares, i.e., 1,900,411,178 (2024: 1,648,728,778), with an aggregate amount of RMB304,065,788.48 (2024: RMB82,436,438.90).

### 42. Operating income and operating costs

| Item                 | 2025              |                  | 2024             |                  |
|----------------------|-------------------|------------------|------------------|------------------|
|                      | Operating income  | Operating costs  | Operating income | Operating costs  |
| Principal operations | 12,622,904,313.30 | 5,996,757,904.05 | 8,975,777,607.84 | 5,027,961,649.88 |
| Other operations     | 15,601,915.82     | 11,650,785.57    | 50,044,214.38    | 40,808,828.53    |
| Total                | 12,638,506,229.12 | 6,008,408,689.62 | 9,025,821,822.22 | 5,068,770,478.41 |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 42. Operating income and operating costs (Continued)

The disaggregated information of operating income is as follows:

#### 2025

| Reportable segments                              | Domestic mining         | Overseas mining         | Others                | Total                    |
|--|-------------------------|-------------------------|-----------------------|--------------------------|
| Main business areas                              |                         |                         |                       |                          |
| Chinese mainland                                 | 3,427,703,357.36        | –                       | 211,638,359.73        | 3,639,341,717.09         |
| Laos   | –                       | 5,451,449,616.15        | –                     | 5,451,449,616.15         |
| Ghana  | –                       | 3,547,714,895.88        | –                     | 3,547,714,895.88         |
| <b>Total</b>                                     | <b>3,427,703,357.36</b> | <b>8,999,164,512.03</b> | <b>211,638,359.73</b> | <b>12,638,506,229.12</b> |
| Main types of products                           |                         |                         |                       |                          |
| Gold   | 3,000,400,361.79        | 8,338,517,251.37        | –                     | 11,338,917,613.16        |
| Copper cathodes                                  | –                       | 505,541,750.16          | –                     | 505,541,750.16           |
| Copper concentrate                               | 72,190,806.51           | –                       | –                     | 72,190,806.51            |
| Lead concentrate                                 | 52,953,777.74           | –                       | –                     | 52,953,777.74            |
| Zinc concentrate                                 | 202,003,778.55          | –                       | –                     | 202,003,778.55           |
| Molybdenum concentrate                           | 96,834,324.18           | –                       | –                     | 96,834,324.18            |
| Rare earth products                              | –                       | 143,820,115.33          | –                     | 143,820,115.33           |
| Comprehensive resource recycling and utilisation | –                       | –                       | 210,642,147.67        | 210,642,147.67           |
| Others   | 3,320,308.59            | 11,285,395.17           | 996,212.06            | 15,601,915.82            |
| <b>Total</b>                                     | <b>3,427,703,357.36</b> | <b>8,999,164,512.03</b> | <b>211,638,359.73</b> | <b>12,638,506,229.12</b> |
| Timing of revenue recognition                    |                         |                         |                       |                          |
| At a point in time                               | 3,427,703,357.36        | 8,999,143,074.53        | 210,981,287.21        | 12,637,827,719.10        |
| Over time  | –                       | 21,437.50               | 657,072.52            | 678,510.02               |
| <b>Total</b>                                     | <b>3,427,703,357.36</b> | <b>8,999,164,512.03</b> | <b>211,638,359.73</b> | <b>12,638,506,229.12</b> |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 42. Operating income and operating costs (Continued)

The disaggregated information of operating income is as follows: (Continued)

2024

| Reportable segments                              | Domestic mining         | Overseas mining         | Others                | Total                   |
|--|-------------------------|-------------------------|-----------------------|-------------------------|
| Main business areas                              |                         |                         |                       |                         |
| Chinese mainland                                 | 2,481,141,778.08        | –                       | 303,521,329.33        | 2,784,663,107.41        |
| Laos   | –                       | 3,339,794,435.91        | –                     | 3,339,794,435.91        |
| Ghana  | –                       | 2,901,364,278.90        | –                     | 2,901,364,278.90        |
| <b>Total</b>                                     | <b>2,481,141,778.08</b> | <b>6,241,158,714.81</b> | <b>303,521,329.33</b> | <b>9,025,821,822.22</b> |
| Main types of products                           |                         |                         |                       |                         |
| Gold   | 2,147,798,795.92        | 5,830,658,047.33        | –                     | 7,978,456,843.25        |
| Silver   | 8,424,961.47            | –                       | –                     | 8,424,961.47            |
| Copper cathodes                                  | –                       | 407,334,926.11          | –                     | 407,334,926.11          |
| Copper concentrate                               | 20,359,687.51           | –                       | –                     | 20,359,687.51           |
| Lead concentrate                                 | 57,419,874.96           | –                       | –                     | 57,419,874.96           |
| Zinc concentrate                                 | 122,193,933.00          | –                       | –                     | 122,193,933.00          |
| Molybdenum concentrate                           | 123,285,540.04          | –                       | –                     | 123,285,540.04          |
| Comprehensive resource recycling and utilisation | –                       | –                       | 258,301,841.50        | 258,301,841.50          |
| Others   | 1,658,985.18            | 3,165,741.37            | 45,219,487.83         | 50,044,214.38           |
| <b>Total</b>                                     | <b>2,481,141,778.08</b> | <b>6,241,158,714.81</b> | <b>303,521,329.33</b> | <b>9,025,821,822.22</b> |
| Timing of revenue recognition                    |                         |                         |                       |                         |
| At a point in time                               | 2,481,141,778.08        | 6,241,034,403.01        | 302,052,615.06        | 9,024,228,796.15        |
| Over time  | –                       | 124,311.80              | 1,468,714.27          | 1,593,026.07            |
| <b>Total</b>                                     | <b>2,481,141,778.08</b> | <b>6,241,158,714.81</b> | <b>303,521,329.33</b> | <b>9,025,821,822.22</b> |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 42. Operating income and operating costs (Continued)

The disaggregated information of operating costs is as follows:

#### 2025

| Reportable segments                              | Domestic mining | Overseas mining  | Others         | Total            |
|--|-----------------|------------------|----------------|------------------|
| Main business areas                              |                 |                  |                |                  |
| Chinese mainland                                 | 894,274,828.96  | –                | 238,098,930.18 | 1,132,373,759.14 |
| Laos   | –               | 2,864,585,881.01 | –              | 2,864,585,881.01 |
| Ghana  | –               | 2,011,449,049.47 | –              | 2,011,449,049.47 |
| Total  | 894,274,828.96  | 4,876,034,930.48 | 238,098,930.18 | 6,008,408,689.62 |
| Main types of products                           |                 |                  |                |                  |
| Gold   | 668,087,909.35  | 4,036,001,900.52 | –              | 4,704,089,809.87 |
| Copper cathodes                                  | –               | 661,763,891.47   | –              | 661,763,891.47   |
| Copper concentrate                               | 13,763,489.04   | –                | –              | 13,763,489.04    |
| Lead concentrate                                 | 18,061,836.33   | –                | –              | 18,061,836.33    |
| Zinc concentrate                                 | 126,136,973.00  | –                | –              | 126,136,973.00   |
| Molybdenum concentrate                           | 65,661,714.93   | –                | –              | 65,661,714.93    |
| Rare earth products                              | –               | 169,453,411.36   | –              | 169,453,411.36   |
| Comprehensive resource recycling and utilisation | –               | –                | 237,826,778.05 | 237,826,778.05   |
| Others   | 2,562,906.31    | 8,815,727.13     | 272,152.13     | 11,650,785.57    |
| Total  | 894,274,828.96  | 4,876,034,930.48 | 238,098,930.18 | 6,008,408,689.62 |
| Timing of revenue recognition                    |                 |                  |                |                  |
| At a point in time                               | 894,274,828.96  | 4,876,034,930.48 | 237,867,182.90 | 6,008,176,942.34 |
| Over time  | –               | –                | 231,747.28     | 231,747.28       |
| Total  | 894,274,828.96  | 4,876,034,930.48 | 238,098,930.18 | 6,008,408,689.62 |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 42. Operating income and operating costs (Continued)

The disaggregated information of operating costs is as follows: (Continued)

2024

| Reportable segments                              | Domestic mining       | Overseas mining         | Others                | Total                   |
|--|-----------------------|-------------------------|-----------------------|-------------------------|
| Main business areas                              |                       |                         |                       |                         |
| Chinese mainland                                 | 815,920,817.01        | –                       | 271,684,539.92        | 1,087,605,356.93        |
| Laos   | –                     | 2,243,066,116.41        | –                     | 2,243,066,116.41        |
| Ghana  | –                     | 1,738,099,005.07        | –                     | 1,738,099,005.07        |
| <b>Total</b>                                     | <b>815,920,817.01</b> | <b>3,981,165,121.48</b> | <b>271,684,539.92</b> | <b>5,068,770,478.41</b> |
| Main types of products                           |                       |                         |                       |                         |
| Gold   | 615,126,921.46        | 3,616,702,663.26        | –                     | 4,231,829,584.72        |
| Silver   | 4,133,147.86          | –                       | –                     | 4,133,147.86            |
| Copper cathodes                                  | –                     | 364,462,458.22          | –                     | 364,462,458.22          |
| Copper concentrate                               | 7,664,728.50          | –                       | –                     | 7,664,728.50            |
| Lead concentrate                                 | 21,014,677.71         | –                       | –                     | 21,014,677.71           |
| Zinc concentrate                                 | 79,600,709.40         | –                       | –                     | 79,600,709.40           |
| Molybdenum concentrate                           | 87,597,095.36         | –                       | –                     | 87,597,095.36           |
| Comprehensive resource recycling and utilisation | –                     | –                       | 231,659,248.11        | 231,659,248.11          |
| Others   | 783,536.72            | –                       | 40,025,291.81         | 40,808,828.53           |
| <b>Total</b>                                     | <b>815,920,817.01</b> | <b>3,981,165,121.48</b> | <b>271,684,539.92</b> | <b>5,068,770,478.41</b> |
| Timing of revenue recognition                    |                       |                         |                       |                         |
| At a point in time                               | 815,920,817.01        | 3,981,165,121.48        | 271,261,099.16        | 5,068,347,037.65        |
| Over time  | –                     | –                       | 423,440.76            | 423,440.76              |
| <b>Total</b>                                     | <b>815,920,817.01</b> | <b>3,981,165,121.48</b> | <b>271,684,539.92</b> | <b>5,068,770,478.41</b> |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 42. Operating income and operating costs (Continued)

Revenue recognised during the current period for amounts included in contract liabilities at the beginning of the period is as follows:

| Item                         | 2025          | 2024          |
|------------------------------|---------------|---------------|
| Advances from sales of goods | 4,469,498.46  | 9,162,613.29  |
| Metal Streaming Arrangement  | 44,162,924.62 | 46,479,178.54 |
| Total                        | 48,632,423.08 | 55,641,791.83 |

Information about the Group's performance obligations is as follows:

#### *Sale of goods*

The Group sells commodities such as gold, copper cathodes, zinc, etc. to clients, and recognises revenue when clients gain the control of goods. Prepayments received from clients before delivery of goods are recognised as contract liabilities in the consolidated financial statements. Among these, the sales arrangement related to the Metal Streaming Arrangement is detailed in Note V. 34. The Group acts as the principal and assumes no obligation to refund to clients or to provide quality assurances.

As at 31 December 2025, the estimated timing for revenue recognition from performance obligations under existing contracts that remain unfulfilled or incompletely fulfilled:

| Item          | 31 December<br>2025 | 31 December<br>2024 |
|---------------|---------------------|---------------------|
| Within 1 year | 48,084,781.82       | 56,598,949.03       |
| Over 1 year   | 563,555,634.09      | 596,094,797.55      |
| Total         | 611,640,415.91      | 652,693,746.58      |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 43. Taxes and surcharges

| Item                                  | 2025           | 2024           |
|---------------------------------------|----------------|----------------|
| Resources tax                         | 608,276,841.09 | 426,929,862.15 |
| Growth and sustainability levy (Note) | 99,806,526.31  | 32,013,806.61  |
| Land use tax                          | 6,888,020.30   | 6,199,997.82   |
| Export tariff                         | 3,581,189.82   | –              |
| Property tax                          | 2,316,150.02   | 1,977,562.37   |
| Education surcharges                  | 1,620,403.63   | 2,023,304.18   |
| City construction and maintenance tax | 1,621,383.15   | 1,215,772.93   |
| Stamp duty                            | 1,753,984.07   | 1,555,538.29   |
| Others                                | 1,017,147.56   | 1,124,004.26   |
| Total                                 | 726,881,645.95 | 473,039,848.61 |

Note: Growth and sustainability levy was the tax payable by GSWL, an overseas subsidiary of the Group. This tax was established under Ghana's Growth and Sustainability Tax Act and has been levied since 1 May 2023. Initially, it was calculated at 1% of the company's gross revenue. The tax rate has been raised to 3% since the act was amended in April 2025.

### 44. Selling expenses

| Item                     | 2025       | 2024       |
|--------------------------|------------|------------|
| Labour expenses          | 118,493.35 | 239,633.60 |
| Consumption of materials | 13,515.81  | 27,797.78  |
| Traveling expenses       | –          | 1,759.20   |
| Others                   | 120,657.69 | 79,554.56  |
| Total                    | 252,666.85 | 348,745.14 |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 45. Administrative expenses

| Item                              | 2025                  | 2024           |
|-----------------------------------|-----------------------|----------------|
| Labour costs                      | 333,360,299.20        | 265,025,247.80 |
| Professional consulting expenses  | 87,088,949.81         | 65,161,622.86  |
| Office and travelling expenses    | 48,539,260.30         | 53,197,067.44  |
| Depreciation and amortisation     | 27,664,193.28         | 35,122,389.35  |
| Insurance premium                 | 15,526,571.19         | 11,019,301.05  |
| Material consumption              | 12,146,145.17         | 12,235,562.15  |
| Rental fees                       | 7,595,786.56          | 18,129,261.88  |
| Entertainment expenses            | 3,789,335.62          | 4,859,283.33   |
| Environmental protection expenses | 2,294,467.93          | 1,338,631.81   |
| Others                            | 46,205,828.57         | 26,198,353.69  |
| <b>Total</b>                      | <b>584,210,837.63</b> | 492,286,721.36 |

The above administrative expenses include audit fees of RMB4,609,152.51 (2024: RMB3,907,779.63).

### 46. Research and development expenses

| Item   | 2025                  | 2024          |
|--|-----------------------|---------------|
| Material consumption                         | 37,605,615.39         | 13,297,130.94 |
| Labour costs                                 | 34,540,147.22         | 33,597,651.00 |
| Outsourced research and development expenses | 23,965,295.20         | –             |
| Power expenses                               | 10,969,676.25         | 8,064,954.66  |
| Depreciation                                 | 2,104,685.52          | 5,740,271.85  |
| Test fee for trial products                  | 1,095,651.92          | 1,486,506.92  |
| Others                                       | 6,960,887.11          | 1,429,383.33  |
| <b>Total</b>                                 | <b>117,241,958.61</b> | 63,615,898.70 |

The research and development expenditures of the Group are all expensed.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 47. Financial expenses

| Item                                      | 2025          | 2024            |
|---|---------------|-----------------|
| Interest expenses                         | 57,491,006.93 | 168,402,079.88  |
| Amortisation of unrecognised finance cost | 45,397,046.25 | 40,590,223.07   |
| Less: Interest income                     | 86,262,030.66 | 38,389,697.15   |
| Foreign exchange losses/(gains)           | 29,245,870.43 | (38,925,714.29) |
| Financial institution commissions         | 2,355,483.73  | 23,686,982.94   |
| Total                                     | 48,227,376.68 | 155,363,874.45  |

### 48. Other income

| Item  | 2025         | 2024         |
|---|--------------|--------------|
| Government grants related to daily operating activities | 3,153,888.54 | 2,386,570.99 |
| Refund of withholding personal income tax handling fees | 487,138.80   | 262,525.77   |
| Total   | 3,641,027.34 | 2,649,096.76 |

### 49. Investment (losses)/income

| Item  | 2025            | 2024          |
|---|-----------------|---------------|
| Investment (losses)/income from long-term equity investments under equity method                              | (281,499.71)    | 7,194,112.43  |
| Investment (losses)/income received from disposal of financial assets and liabilities held for trading (Note) | (79,512,606.11) | 581,209.17    |
| Investment income from disposal of long-term equity investments   | –               | 71,118,528.80 |
| Total   | (79,794,105.82) | 78,893,850.40 |

Note: Details of investment (losses)/income from disposal of financial assets and liabilities held for trading are as follows:

| Item   | 2025             | 2024             |
|--|------------------|------------------|
| Investment losses from gold leasing investment at fair value   | (140,213,815.38) | (128,754,427.35) |
| Investment income from gold leasing hedging contracts          | 27,789,608.00    | 129,272,698.00   |
| Investment income from stock investment                        | 26,694,726.18    | –                |
| Investment income from wealth management products              | 3,223,773.24     | 62,938.52        |
| Investment income from foreign exchange derivative instruments | 2,993,101.85     | –                |
| Total  | (79,512,606.11)  | 581,209.17       |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 50. Gains/(Losses) on changes in fair value

| Source of the changes in fair value                                 | 2025           | 2024            |
|---|----------------|-----------------|
| Financial assets held for trading – stock investments               | 9,758,004.91   | (6,758,713.94)  |
| Derivative financial instruments – gold leasing hedging contracts   | (5,251,800.00) | (8,802,440.00)  |
| Financial liabilities held for trading – gold leasing at fair value | 107,738,300.00 | (10,783,860.00) |
| Total   | 112,244,504.91 | (26,345,013.94) |

### 51. Credit impairment (losses)/reversal

| Item  | 2025           | 2024         |
|---|----------------|--------------|
| Reversal of bad debt provision for trade receivables          | –              | 17,933.22    |
| (Losses)/reversal of bad debt provision for other receivables | (2,132,812.89) | 1,648,435.53 |
| Total   | (2,132,812.89) | 1,666,368.75 |

### 52. Impairment losses on assets

| Item                             | 2025             | 2024           |
|----------------------------------|------------------|----------------|
| Impairment losses on inventories | (144,652,003.96) | (4,897,057.61) |
| Impairment loss on fixed assets  | (53,709,425.37)  | –              |
| Impairment losses on goodwill    | (26,227,289.77)  | –              |
| Total                            | (224,588,719.10) | (4,897,057.61) |

### 53. Gains/(Losses) on disposal of non-current assets

| Item                                       | 2025       | 2024        |
|--|------------|-------------|
| Gains/(Losses) on disposal of fixed assets | 485,274.72 | (51,568.59) |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 54. Non-operating income

| Item  | 2025       | Non-recurring<br>profit or loss<br>in 2025 | 2024         | Non-recurring<br>profit or loss<br>in 2024 |
|---|------------|--|--------------|--|
| Income from waste disposal                                  | 239,454.52 | 239,454.52                                 | 327,515.42   | 327,515.42                                 |
| Income from default and penalty                             | 85,148.39  | 85,148.39                                  | 616,944.20   | 616,944.20                                 |
| Government grants not related to daily operating activities | 10,000.00  | 10,000.00                                  | 58,000.00    | 58,000.00                                  |
| Others  | 68,593.23  | 68,593.23                                  | 32,593.46    | 32,593.46                                  |
| Total   | 403,196.14 | 403,196.14                                 | 1,035,053.08 | 1,035,053.08                               |

### 55. Non-operating expenses

| Item                                      | 2025          | Non-recurring<br>profit or loss<br>in 2025 | 2024         | Non-recurring<br>profit or loss<br>in 2024 |
|---|---------------|--|--------------|--|
| Losses from force majeure<br>(Note)       | 22,575,406.04 | 22,575,406.04                              | –            | –  |
| Losses on write-off of non-current assets | 32,328.27     | 32,328.27                                  | 314,631.93   | 314,631.93                                 |
| Donations                                 | 9,025,449.23  | 9,025,449.23                               | 865,000.00   | 865,000.00                                 |
| Penalties and compensations               | 5,034,608.44  | 5,034,608.44                               | 4,468,511.35 | 4,468,511.35                               |
| Others                                    | 1,002,137.61  | 1,002,137.61                               | 296,747.74   | 296,747.74                                 |
| Total                                     | 37,669,929.59 | 37,669,929.59                              | 5,944,891.02 | 5,944,891.02                               |

Note: Losses from force majeure was the damage to work-in-progress products of Chixia Mining, an overseas subsidiary of the Group, caused by typhoon in Laos.

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 56. Income tax expenses

| Item                        | 2025             | 2024            |
|-----------------------------|------------------|-----------------|
| Current income tax expenses | 1,513,880,292.53 | 902,726,163.23  |
| Deferred tax expenses       | (35,396,770.54)  | (69,288,658.93) |
| Total                       | 1,478,483,521.99 | 833,437,504.30  |

Reconciliation of income tax expenses to profit before tax is as follows:

| Item  | 2025             | 2024             |
|---|------------------|------------------|
| Profit before tax   | 4,925,871,489.49 | 2,819,402,093.38 |
| Income tax expenses calculated at the statutory tax rate of 25%                             | 1,231,467,872.37 | 704,850,523.35   |
| Effect of applying different tax rates by certain subsidiaries                              | 175,840,214.70   | 98,798,240.96    |
| Adjustments in respect of current tax of previous periods                                   | 29,202,160.17    | 23,656,770.91    |
| Profits and losses attributable to associates   | 60,083.16        | (1,176,260.28)   |
| Non-taxable income  | (19,784,219.79)  | (13,123,401.63)  |
| Non-deductible expenses   | 48,488,367.97    | 17,690,705.50    |
| Tax losses utilised from previous periods   | –                | (5,040,478.34)   |
| Unrecognised deductible temporary differences and tax losses                                | 40,973,774.97    | 16,856,247.24    |
| Additional deduction for research and development expenses and wages for disabled employees | (8,792,674.46)   | (9,074,843.41)   |
| Recognition of previously unrecognised deductible temporary differences and tax losses      | (18,972,057.10)  | –                |
| Income tax expense of the Group   | 1,478,483,521.99 | 833,437,504.30   |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 57. Note to the statement of cash flows

#### (1) Cash flow related to operating activities

| Item   | 2025                  | 2024           |
|--|-----------------------|----------------|
| Other cash receipts relating to operating activities |                       |                |
| Interest income                                      | 82,266,237.40         | 35,833,939.08  |
| Margin for product hedging business                  | 18,534,240.00         | 59,778,862.51  |
| Entities transactions                                | 15,158,034.53         | 81,469,509.99  |
| Deposits received                                    | 10,694,360.26         | 8,126,537.94   |
| Government grants                                    | 2,273,388.62          | 7,732,096.84   |
| Default and penalty                                  | 85,148.39             | 616,944.20     |
| Others   | 9,196,257.11          | 2,092,715.68   |
| <b>Total</b>   | <b>138,207,666.31</b> | 195,650,606.24 |
| Other cash payments relating to operating activities |                       |                |
| Margin for product hedging business                  | 73,853,900.00         | 162,735,532.43 |
| Compensation and donation                            | 14,060,057.67         | 5,333,511.35   |
| Entities transactions                                | 9,439,084.59          | 50,250,794.77  |
| Deposits paid  | 3,133,299.22          | 7,728,657.84   |
| Commissions  | 2,016,092.14          | 14,980,730.77  |
| Other administrative expenses                        | 99,703,426.69         | 162,939,108.02 |
| <b>Total</b>   | <b>202,205,860.31</b> | 403,968,335.18 |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 57. Note to the statement of cash flows (Continued)

(2) Cash flow related to investing activities

| Item  | 2025                  | 2024           |
|---|-----------------------|----------------|
| Other cash receipts relating to investing activities                |                       |                |
| Margin refund for futures and other investment business             | <b>265,831,820.19</b> | 353,934,999.93 |
| Maturity of currency options and foreign exchange forward contracts | <b>2,993,101.93</b>   | –              |
| Total   | <b>268,824,922.12</b> | 353,934,999.93 |
| Other cash payments relating to investing activities                |                       |                |
| Margin deposit for futures and other investment business            | <b>61,731,481.00</b>  | 167,724,898.98 |
| Others  | <b>13,145,124.82</b>  | –              |
| Total   | <b>74,876,605.82</b>  | 167,724,898.98 |

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 57. Note to the statement of cash flows (Continued)

#### (3) Cash flow related to financing activities

| Item   | 2025                  | 2024             |
|--|-----------------------|------------------|
| Other cash receipts relating to financing activities       |                       |                  |
| Release of margin deposits related to financing activities | 305,383,053.08        | 501,810,159.84   |
| Receipt of subscription for share-based payment            | 222,704,873.69        | –                |
| Receipt from gold leasing business                         | –                     | 626,571,283.15   |
| <b>Total</b>   | <b>528,087,926.77</b> | 1,128,381,442.99 |
| Other cash payments relating to financing activities       |                       |                  |
| Repayment of gold leasing business                         | 777,115,500.00        | 1,080,413,295.93 |
| Margin deposits related to financing activities            | 99,317,100.00         | 346,554,281.26   |
| Lease payment  | 48,320,354.51         | 46,566,603.97    |
| Listing Expenses   | 26,944,153.63         | 21,040,455.87    |
| Repayment of borrowings from minority shareholders         | 9,800,000.00          | –                |
| Repayment to the related party loan                        | –                     | 110,900,000.00   |
| Others   | 482,571.36            | 15,406.89        |
| <b>Total</b>   | <b>961,979,679.50</b> | 1,605,490,043.92 |

The movements in various liabilities arising from financing activities are as follows:

| Item   | Opening balance         | Additions               |                       | Reductions              |                     | Closing balance         |
|--|-------------------------|-------------------------|-----------------------|-------------------------|---------------------|-------------------------|
|  |                         | Cash changes            | Non-cash changes      | Cash changes            | Non-cash changes    |                         |
| Short-term borrowings  | 1,108,199,165.67        | 1,316,810,500.00        | 29,346,176.77         | 1,745,018,207.47        | 1,737,003.66        | 707,600,631.31          |
| Financial liabilities held for trading                                   | 707,020,000.00          | –                       | 70,095,500.00         | 777,115,500.00          | –                   | –                       |
| Long-term borrowings (including non-current liabilities within one year) | 881,835,377.44          | 88,000,000.00           | 19,658,745.45         | 818,708,735.23          | 374,348.27          | 170,411,039.39          |
| Lease liabilities (including non-current liabilities within one year)    | 217,436,431.65          | –                       | 14,629,175.64         | 48,320,354.51           | –                   | 183,745,252.78          |
| <b>Total</b>   | <b>2,914,490,974.76</b> | <b>1,404,810,500.00</b> | <b>133,729,597.86</b> | <b>3,389,162,797.21</b> | <b>2,111,351.93</b> | <b>1,061,756,923.48</b> |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 58. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

| Supplementary information  | 2025             | 2024             |
|--|------------------|------------------|
| <b>1. Reconciliation of net profit to net cash flows from operating activities:</b>          |                  |                  |
| Net profit   | 3,447,387,967.50 | 1,985,964,589.08 |
| Add: Impairment losses on assets   | 224,588,719.10   | 4,897,057.61     |
| Credit impairment losses/(reversal)  | 2,132,812.89     | (1,666,368.75)   |
| Depreciation of fixed assets   | 938,630,346.53   | 955,563,883.81   |
| Depreciation of right-of-use assets  | 35,445,030.63    | 38,391,798.23    |
| Amortisation of intangible assets  | 247,107,008.17   | 283,092,120.39   |
| Amortisation of long-term deferred expenses  | 11,426,093.13    | 48,750.00        |
| (Gains)/Losses from disposal of fixed assets, intangible assets and other non-current assets | (485,274.72)     | 51,568.59        |
| Losses on write-off of non-current assets  | 32,328.27        | 314,631.93       |
| (Gains)/Losses on changes in fair value  | (112,244,504.91) | 26,345,013.94    |
| Financial expenses   | 132,133,923.61   | 170,066,588.66   |
| Investment losses/(income)   | 79,794,105.82    | (78,893,850.40)  |
| Increase in deferred tax assets  | (61,116,232.61)  | (48,153,307.70)  |
| Increase/(Decrease) in deferred tax liabilities  | 25,719,462.07    | (21,135,351.23)  |
| Increase in inventories  | (284,661,679.53) | (102,653,839.56) |
| Decrease/(Increase) in receivables from operating activities                                 | 166,458,470.04   | (259,529,363.53) |
| Increase in payables from operating activities   | 703,240,711.51   | 315,776,738.63   |
| Net cash flows from operating activities   | 5,555,589,287.50 | 3,268,480,659.70 |
| <b>2. Net changes in cash and cash equivalents:</b>  |                  |                  |
| Closing balance of cash and cash equivalents   | 6,702,709,528.90 | 2,516,898,967.10 |
| Less: Opening balance of cash and cash equivalents   | 2,516,898,967.10 | 1,274,634,730.02 |
| Net increase in cash and cash equivalents  | 4,185,810,561.80 | 1,242,264,237.08 |

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 58. Supplementary information to the statement of cash flows (Continued)

(2) Net cash payments for acquisitions of subsidiaries

| Item   | 2025          | 2024         |
|--|---------------|--------------|
| Cash and cash equivalents paid for the acquisitions of subsidiaries in the current year                    | 68,695,050.30 | –            |
| Including: Xinhenghe Mining  | –             | –            |
| Chixia Mining  | 68,695,050.30 | –            |
| Add: Cash and cash equivalents paid in the current year for acquisitions of subsidiaries in previous years | 43,880,116.25 | 8,156,940.00 |
| Including: Xinhenghe Mining  | 43,880,116.25 | 8,156,940.00 |
| Less: Cash and cash equivalents obtained from acquisitions of subsidiaries on acquisition date             | 21,759,112.42 | –            |
| Including: Chixia Mining   | 21,759,112.42 | –            |
| Net cash paid for the acquisitions of subsidiaries   | 90,816,054.13 | 8,156,940.00 |

(3) Composition of cash and cash equivalents

| Item  | 2025                    | 2024             |
|---|-------------------------|------------------|
| <b>Cash</b>   | <b>6,702,709,528.90</b> | 2,516,898,967.10 |
| Including: Cash on hand   | 577,451.30              | 618,540.03       |
| Bank deposits that can be drawn on demand                         | 6,702,132,077.60        | 2,516,280,427.07 |
| <b>Closing balance of cash and cash equivalents</b>               | <b>6,702,709,528.90</b> | 2,516,898,967.10 |
| Including: Restricted cash and cash equivalents held by the Group | –                       | –                |

(4) The monetary funds of the Group that are not classified as cash and cash equivalents are other monetary funds. Please refer to Note V.1.

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Foreign currency monetary items

(1) Foreign currency monetary items

| Item                             | Original<br>currency | Exchange<br>rate | Equivalent to<br>RMB |
|----------------------------------|----------------------|------------------|----------------------|
| <b>Cash and cash equivalents</b> |                      |                  |                      |
| Including:                       |                      |                  |                      |
| EUR                              | 86,303.45            | 8.2355           | 710,752.06           |
| CNY                              | 663,103.88           | 1.0000           | 663,103.88           |
| GHS                              | 370,037,957.82       | 0.6688           | 247,481,386.19       |
| LAK                              | 51,685,469,894.65    | 0.0003           | 15,505,640.97        |
| AUD                              | 17,343,890.25        | 4.6892           | 81,328,970.16        |
| THB                              | 1,481,201.38         | 0.2225           | 329,567.31           |
| CAD                              | 102,210.68           | 5.1142           | 522,725.86           |
| GBP                              | 794,256.36           | 9.4346           | 7,493,491.05         |
| HKD                              | 1,046,683,630.65     | 0.9032           | 945,364,655.20       |
| USD                              | 222,854,345.77       | 7.0288           | 1,566,398,625.55     |
| <b>Trade receivables</b>         |                      |                  |                      |
| Including:                       |                      |                  |                      |
| LAK                              | 1,338,355,450.00     | 0.0003           | 401,506.64           |
| <b>Other receivables</b>         |                      |                  |                      |
| Including:                       |                      |                  |                      |
| USD                              | 262,487.00           | 7.0288           | 1,844,968.63         |
| AUD                              | 1,830.54             | 4.6892           | 8,583.77             |
| HKD                              | 710,637.15           | 0.9032           | 641,847.47           |
| LAK                              | 4,169,943,000.00     | 0.0003           | 1,250,982.90         |
| <b>Trade payables</b>            |                      |                  |                      |
| Including:                       |                      |                  |                      |
| EUR                              | 1,288,461.34         | 8.2355           | 10,611,123.37        |
| GBP                              | 20,473.24            | 9.4346           | 193,156.83           |
| AUD                              | 2,620,655.76         | 4.6892           | 12,288,778.99        |
| ZAR                              | 352,744.64           | 0.4224           | 148,999.34           |
| GHS                              | 22,791,504.33        | 0.6688           | 15,242,958.10        |
| LAK                              | 27,857,975,947.98    | 0.0003           | 8,357,392.78         |
| THB                              | 54,462,724.88        | 0.2225           | 12,117,956.29        |
| CNY                              | 9,688,581.84         | 1.0000           | 9,688,581.84         |
| CAD                              | 3,866.93             | 5.1142           | 19,776.25            |
| SGD                              | 11,525.60            | 4.0520           | 46,701.73            |
| NZD                              | 223,225.90           | 5.4586           | 1,218,500.90         |
| <b>Other payables</b>            |                      |                  |                      |
| Including:                       |                      |                  |                      |
| USD                              | 3,212,303.35         | 7.0288           | 22,578,637.79        |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Foreign currency monetary items (Continued)

(2) Information on overseas operating entities

| Item      | Major place of overseas business | Accounting currency | Basis for adoption of accounting currency |
|-----------|----------------------------------|---------------------|---|
| GSR       | Ghana                            | USD                 | Main trading currency                     |
| Chijin HK | Hong Kong                        | USD                 | Main trading currency                     |
| LXML      | Laos                             | USD                 | Main trading currency                     |

### 60. Leases

(1) As a lessee

| Item   | 2025          | 2024          |
|--|---------------|---------------|
| Interest expense on lease liabilities  | 9,725,185.80  | 11,067,559.76 |
| Expenses relating to short-term leases accounting for applying practical expedients      | 7,592,986.56  | 16,129,333.87 |
| Expense relating to low-value assets leases accounting for applying practical expedients | 2,800.00      | 1,999,928.01  |
| Income from sublease of right-of-use assets  | 21,437.50     | 124,311.80    |
| Total cash outflow related to leases   | 55,916,141.07 | 64,695,865.85 |

*Note:* The Group's leased assets include buildings, machinery, land use rights, vehicles and other equipment used in operations. Leases of buildings and machinery generally have lease terms of 2 to 10 years. Leases of land use right generally have lease terms of 2 to 20 years. Leases of vehicles and other equipment are usually leased on a short-term basis.

#### Other information related to leases

For right-of-use assets, please refer to Note V. 13. For the practical expedients for short-term leases and low-value assets leases, please refer to Note III. 25. For lease liabilities, please refer to Note V. 30.

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 60. Leases (Continued)

#### (2) As a lessor

##### Operating leases

The Group has entered into operating leases for some of its buildings, and the lease term is 1 year. According to the lease contract, the rent is adjusted on an annual basis according to market rents.

Profit or loss relating to operating leases is as follows:

| Item         | 2025       | 2024         |
|--------------|------------|--------------|
| Lease income | 657,072.52 | 1,468,714.27 |

Pursuant to the operating lease agreements entered into with the lessees, the undiscounted lease payments to be received are as follows:

| Item                      | 31 December<br>2025 | 31 December<br>2024 |
|---------------------------|---------------------|---------------------|
| Within 1 year (inclusive) | 657,072.52          | 1,468,714.27        |
| Total                     | 657,072.52          | 1,468,714.27        |

For the fixed assets leased out under operating leases, please refer to Note V. 11.

##### Finance leases

The profit or loss relating to finance leases is as follows:

| Item  | 2025      | 2024       |
|---|-----------|------------|
| Finance income on net investments in leases | 21,437.50 | 124,311.80 |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 60. Leases (Continued)

(2) As a lessor (Continued)

Finance leases (Continued)

Pursuant to the finance lease agreements entered into with the lessees, the minimum lease receivables under non-cancellable leases with its tenants were as follows:

| Item                            | 31 December<br>2025 | 31 December<br>2024 |
|---------------------------------|---------------------|---------------------|
| Within 1 year (inclusive)       | -                   | 1,700,620.46        |
| Subtotal                        | -                   | 1,700,620.46        |
| Less: Unrealised finance income | -                   | 509,812.33          |
| Net investments in leases       | -                   | 1,190,808.13        |

### 61. Earnings per share

| Item                       | 2025<br>RMB/share | 2024<br>RMB/share |
|----------------------------|-------------------|-------------------|
| Basic earnings per share   |                   |                   |
| Continuing operations      | 1.69              | 1.07              |
| Diluted earnings per share |                   |                   |
| Continuing operations      | 1.69              | 1.07              |

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 61. Earnings per share (Continued)

The detailed calculation of basic earnings per share and diluted earnings per share is listed below:

| Item  | 2025                    | 2024             |
|---|-------------------------|------------------|
| Earnings  |                         |                  |
| Net profit attributable to the ordinary shareholders of the Company for the year              |                         |                  |
| Continuing operations   | <b>3,082,367,791.68</b> | 1,764,339,650.99 |
| Net profit attributable to ordinary shareholders of the Company for the year after adjustment | <b>3,082,367,791.68</b> | 1,764,339,650.99 |
| Shares attributable to:   |                         |                  |
| Continuing operations   | <b>3,082,367,791.68</b> | 1,764,339,650.99 |
| Shares  |                         |                  |
| The weighted average number of ordinary shares issued by the Company                          | <b>1,823,532,978.00</b> | 1,648,728,778.00 |

Basic earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares issued during the year.

The Group does not have any dilutive potential ordinary shares.

## VI. RESEARCH AND DEVELOPMENT EXPENDITURES

For the research and development expenditures classified by nature, please refer to Note V. 46.

In 2025, there were no research and development expenditures that met the capitalisation conditions in the Group (2024: Nil).

# NOTES TO FINANCIAL STATEMENTS

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## VII. CHANGES IN THE SCOPE OF CONSOLIDATION

### 1. Newly established subsidiaries

Chifeng Longji Mining Development Co., Ltd. ('Longji Mining') was incorporated in Chifeng City, Inner Mongolia Autonomous Region on 14 May 2025, with a registered capital of RMB10,000,000. Jilong Mining, a subsidiary of the Group, holds an 85% equity stake in Longji Mining. As of 31 December 2025, the paid-in capital of Longji Mining was RMB0. The newly established subsidiary was included in the scope of consolidation during the Reporting Period.

Yanbian Longhan Mining Development Co., Ltd. ('Longhan Mining') was incorporated in Longjing City, Jilin Province on 19 September 2025, with a registered capital of RMB10,000,000. Hanfeng Mining, a subsidiary of the Group, holds a 90% equity stake in Longhan Mining. As of 31 December 2025, the paid-in capital of Longhan Mining was RMB0. The newly established subsidiary was included in the scope of consolidation during the Reporting Period.

### 2. Acquisition of a subsidiary not constituting a business

The Company's controlled subsidiary, Chijin Xiawu and its wholly owned subsidiary, Chixia Laos, entered into a Share Transfer Agreement with China Investment (Properties) Co., Ltd. (hereinafter referred to as "CIP"). Pursuant to the agreement, Chixia Laos acquired a 90% equity interest in China Investment Mining (Laos) Sole Co., Ltd. (hereinafter referred to as the "Target Company") from CIP through a cash and debt-bearing acquisition, with a total transaction consideration of USD18,963,000. On 25 March 2025, the 90% equity interest in the Target Company has transferred to Chixia Laos. The parties formally confirmed the completion of the transaction, and the Target Company has been included in the Group's consolidated financial statements as a subsidiary. As of the acquisition date, the main resource reserves of the project were still in the preliminary construction stage, lacking full processing capability. There had been no products or sales. Therefore, the acquisition was not deemed to constitute a business under the applicable accounting standards. Accordingly, the acquisition was not accounted for as a business combination under non-common control in accordance with Accounting Standards for Business Enterprises No. 20 – Business Combinations.

### 3. Deregistered subsidiary

| Company name                             | Place of registration | Principal activity                                      | Proportion of equity attributable to the Group (%) | Reason for deconsolidation |
|--|-----------------------|---|--|----------------------------|
| Hefei Huanchuang New Materials Co., Ltd. | Hefei, Anhui          | Disassembly of waste electrical and electronic products | 55.00  | Deregistration             |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

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## VIII. INVESTMENTS IN OTHER ENTITIES

### 1. Equity interests in subsidiaries

Composition of the Group

2025

Unit: Yuan Currency: RMB

| Name of subsidiary                            | Principal place of business | Place of registration   | Nature of business                                      | Registered capital | Percentage of equity interest (%) |          | Initial recognition |
|---|-----------------------------|-------------------------|---|--------------------|-----------------------------------|----------|---------------------|
|   |                             |                         |   |                    | Direct                            | Indirect |                     |
| Jilong Mining                                 | Chifeng, Inner Mongolia     | Chifeng, Inner Mongolia | Gold mining   | 175,000,000        | 100.00                            | -        | Acquisition         |
| Longji Mining                                 | Chifeng, Inner Mongolia     | Chifeng, Inner Mongolia | Resource Exploration                                    | 10,000,000         | -                                 | 85.00    | Newly established   |
| Huatai Mining                                 | Chifeng, Inner Mongolia     | Chifeng, Inner Mongolia | Gold mining   | 20,000,000         | -                                 | 100.00   | Acquisition         |
| Wulong Mining                                 | Dandong, Liaoning           | Dandong, Liaoning       | Gold mining   | 40,000,000         | -                                 | 100.00   | Acquisition         |
| Dandong Tongxing Mineral Processing Co., Ltd. | Dandong, Liaoning           | Dandong, Liaoning       | Gold ore processing and smelting                        | 5,000,000          | -                                 | 100.00   | Acquisition         |
| Hanfeng Mining                                | Longjing, Jilin             | Longjing, Jilin         | Non-ferrous metal mining and selection                  | 429,200,000        | 100.00                            | -        | Acquisition         |
| Longhan Mining                                | Longjing, Jilin             | Longjing Jilin          | Resource Exploration                                    | 10,000,000         | -                                 | 90.00    | Newly established   |
| Xinhenghe Mining                              | Kunming, Yunnan             | Kunming, Yunnan         | Management services                                     | 40,000,000         | 51.00                             | -        | Acquisition         |
| Jintai Mining (Note 1)                        | Dali, Yunnan                | Dali, Yunnan            | Gold mining   | 41,710,000         | -                                 | 45.90    | Acquisition         |
| Guangyuan Technology                          | Hefei, Anhui                | Hefei, Anhui            | Disassembly of waste electrical and electronic products | 44,776,000         | 55.00                             | -        | Acquisition         |
| Guangyuan Environmental Protection            | Hefei, Anhui                | Hefei, Anhui            | Disassembly of waste electrical and electronic products | 10,000,000         | -                                 | 55.00    | Newly established   |
| Chijin Fengyu                                 | Shanghai                    | Shanghai                | Trade, import and export of goods or technology         | 100,000,000        | 100.00                            | -        | Newly established   |
| Chijin Xiawu                                  | Xiamen                      | Xiamen                  | Trade of non-ferrous metal                              | 400,000,000        | 51.00                             | -        | Newly established   |
| Chixia Laos                                   | Cayman Islands              | Cayman Islands          | Investment and investment management business           | USD50,000          | -                                 | 51.00    | Newly established   |
| Chixia Mining (Note 2)                        | Laos                        | Laos                    | Investment and investment management business           | LAK15,000,000,000  | -                                 | 45.90    | Acquisition         |
| CIRE Mining (Note 2)                          | Laos                        | Laos                    | Rare earth mining                                       | LAK25,200,000,000  | -                                 | 39.47    | Acquisition         |
| CIREKK Mining (Note 2)                        | Laos                        | Laos                    | Rare earth mining                                       | LAK25,200,000,000  | -                                 | 39.47    | Acquisition         |

# NOTES TO FINANCIAL STATEMENTS

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## VIII. INVESTMENTS IN OTHER ENTITIES (CONTINUED)

### 1. Equity interests in subsidiaries (Continued)

Composition of the Group (Continued)

2025

Unit: Yuan Currency: RMB

| Name of subsidiary                           | Principal place of business | Place of registration   | Nature of business                              | Registered capital   | Percentage of equity interest (%) |          | Initial recognition |
|--|-----------------------------|-------------------------|---|----------------------|-----------------------------------|----------|---------------------|
|  |                             |                         |   |                      | Direct                            | Indirect |                     |
| Chijin Laos                                  | Cayman Islands              | Cayman Islands          | Investment and investment management business   | USD152,100,000       | 100.00                            | -        | Acquisition         |
| LXML   | Laos                        | Laos                    | Gold and non-ferrous metal mining and selection | LAK1,436,516,830,000 | -                                 | 90.00    | Acquisition         |
| Chijin HK                                    | Hong Kong                   | Hong Kong               | Investment and investment management business   | HKD1, USD291,000,000 | 100.00                            | -        | Newly established   |
| GSR (Note 3)                                 | Canada                      | Canada                  | Investment and investment management business   | USD932,928,540.97    | -                                 | 62.00    | Acquisition         |
| Caystar Holdings                             | Cayman Islands              | Cayman Islands          | Investment and investment management business   | USD391,958,327.78    | -                                 | 62.00    | Acquisition         |
| Caystar Finance Co.                          | Cayman Islands              | Cayman Islands          | Finance and sales business                      | USD49,942,491.69     | -                                 | 62.00    | Acquisition         |
| Caystar Management Holdings                  | Cayman Islands              | Cayman Islands          | Management services                             | USD45,409,069.19     | -                                 | 62.00    | Acquisition         |
| Wastord Holdings                             | Cayman Islands              | Cayman Islands          | Investment and investment management business   | USD50,000            | -                                 | 62.00    | Acquisition         |
| GSWL (Wassa) (Note 3)                        | Ghana                       | Ghana                   | Gold mining                                     | GHS11,000,000        | -                                 | 55.80    | Acquisition         |
| Golden Star Resources (UK) Ltd.              | UK                          | UK                      | Management services                             | USD130               | -                                 | 62.00    | Acquisition         |
| Chijin Fengtai (Chifeng) Trading Co., Ltd.   | Chifeng, Inner Mongolia     | Chifeng, Inner Mongolia | Trade of non-ferrous metal                      | 34,000,000           | -                                 | 100.00   | Newly established   |
| Chijin Minerals Investment Holding Co., Ltd. | British Virgin Islands      | British Virgin Islands  | Investment and investment management business   | USD50,000            | -                                 | 100.00   | Newly established   |

**Note 1:** As Jintai Mining is a 90% owned subsidiary of Xinhenghe Mining (a direct subsidiary of the Company), the Company indirectly holds an interest in Jintai Mining through its chain of ownership.

**Note 2:** Chixia Mining is a 90% owned subsidiary of Chixia Laos, which is a wholly-owned subsidiary of Chijin Xiawu (a direct subsidiary of the Company). Therefore, the Company holds an indirect equity interest of 45.9% in Chixia Mining. Both CIRE Mining and CIREXK Mining are subsidiaries held 86% by Chixia Mining, leading to the Company's indirect ownership of 39.47% in each of these two companies.

**Note 3:** GSR is a 62% owned subsidiary of Chijin HK (a direct subsidiary of the Company). Therefore, the Company indirectly holds an interest in GSR. GSWL is a 90%-owned subsidiary of GSR.

**Note 4:** The abovementioned PRC subsidiaries are limited liability companies.

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## VIII. INVESTMENTS IN OTHER ENTITIES (CONTINUED)

### 1. Equity interests in subsidiaries (Continued)

Significant non-wholly owned subsidiaries

2025

| Name of subsidiary | Percentage of equity interest held by non-controlling shareholders (%) | Profit or loss attributable to non-controlling interests in the current year | Dividend paid to non-controlling shareholders | Closing balance of non-controlling interests |
|--------------------|--|--|---|--|
| LXML               | 10.00  | 143,181,317.75   | 43,220,400.00                                 | 438,754,935.66                               |
| GSR                | 38.00  | 215,943,392.53   | -   | 2,166,174,144.36                             |

The major financial information of the subsidiaries in the table above is stated below. Those amounts are before elimination among the enterprises of the Group:

| Name of subsidiary | 31 December 2025 |                    |                  |                     |                         |                   |
|--------------------|------------------|--------------------|------------------|---------------------|-------------------------|-------------------|
|                    | Current assets   | Non-current assets | Total assets     | Current liabilities | Non-current liabilities | Total liabilities |
| LXML               | 4,236,860,778.80 | 2,925,705,298.85   | 7,162,566,077.65 | 1,326,584,232.67    | 1,448,432,488.36        | 2,775,016,721.03  |
| GSR                | 1,213,428,087.62 | 8,156,678,538.03   | 9,370,106,625.65 | 1,752,125,462.46    | 3,051,432,079.92        | 4,803,557,542.38  |

| Name of subsidiary | 2025             |                  |                            |  |
|--------------------|------------------|------------------|----------------------------|--|
|                    | Operating income | Net profits      | Total comprehensive income | Net cash flows from operating activities |
| LXML               | 5,298,869,381.99 | 1,431,813,177.47 | 1,345,193,116.93           | 2,401,701,585.61                         |
| GSR                | 3,547,714,895.88 | 438,768,807.61   | 339,181,631.93             | 1,111,983,899.00                         |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## VIII. INVESTMENTS IN OTHER ENTITIES (CONTINUED)

### 2. Interests in associates

Aggregate financial information of associates that are not individually significant

| Item   | 31 December<br>2025/2025 |
|--|--------------------------|
| Associates:  |                          |
| Total book value of the Group's investments in associates        | 8,770,945.96             |
| Items below were calculated by the proportion of equity interest |                          |
| – Share of net loss of associates                                | (281,499.71)             |
| – Share of other comprehensive income of associates              | –                        |
| – Share of total comprehensive loss of associates                | (281,499.71)             |

# NOTES TO FINANCIAL STATEMENTS

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## IX. GOVERNMENT GRANTS

### 1. Government grant receivables

As at 31 December 2025, the balance of government grant receivables was RMB3,847,800.00.

### 2. Liabilities related to government grants

As at 31 December 2025, liabilities related to government grants are detailed in Note V.33.

Government grants recognised in profit or loss are as follows:

| Item                                | 2025         | 2024         |
|-------------------------------------|--------------|--------------|
| Government grants related to assets |              |              |
| Recognized in other income          | 890,499.92   | 316,999.92   |
| Government grants related to income |              |              |
| Recognized in other income          | 2,263,388.62 | 2,069,571.07 |
| Recognized in non-operating income  | 10,000.00    | 58,000.00    |
| Total                               | 3,163,888.54 | 2,444,570.99 |

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

### 1. Offsetting of financial instruments

The Group has not entered into any offsetting agreements on financial instruments.

### 2. Risks of financial instruments

The Group is exposed to various risks in relation to financial instruments in its daily operations, mainly including credit risk, liquidity risk and market risk. Policies of the risk management of the Group are summarised below.

The Board of Directors is responsible for planning and establishing the Group's risk management framework, formulating the Group's risk management policies and relevant guidelines, and supervising the implementation of risk management measures. The Group has formulated risk management policies to identify and analyse the risks faced by the Group. These risk management policies clearly define specific risks and cover many aspects such as market risk, credit risk and liquidity risk management. The Group regularly assesses changes in the market environment and the Group's business activities to determine whether to update the risk management policies and systems. The Group's risk management is carried out by the Audit Committee in accordance with the policies approved by the Board of Directors. The Audit Committee works closely with other business departments of the Group to identify, assess, and mitigate relevant risks. The Group's internal audit department conducts periodic reviews of risk management controls and procedures and reports the findings to the Group's Audit Committee.

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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### (1) Credit risk

The Group only transacts with approved and reputable third parties. According to the Group's policy, all customers who wish to transact on credit terms are subject to credit verification procedures. In addition, the Group continuously monitors the balance of trade receivables to ensure that the Group is not exposed to significant bad debt risks.

Since counterparties of cash and bank balance are banks with good reputation and high credit ratings, credit risk arising from these financial instruments is low.

Other financial assets of the Group include equity instrument investment, receivables and certain derivatives. The credit risk associated with these financial assets arises from default of counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

The Group only transacts with approved and reputable third parties, therefore collateral is not needed. Credit risk is managed centrally based on customers/counterparties, geographic regions and industries. As at 31 December 2025, the Group had a specific concentration of credit risk. 59.67% and 95.20% of the Group's trade receivables were due from the largest customer and the five largest customers, respectively (31 December 2024: 59.13% and 95.49%, respectively). The balance of trade receivables of the Group did not hold any collateral or other credit enhancement.

#### *Determination of significant increase in credit risk*

At each reporting date, the Group assesses whether the credit risk of the relevant financial instruments has increased significantly since initial recognition. The Group determines that the credit risk of financial instruments has significantly increased when one or more of the following quantitative or qualitative criteria below are met: significant adverse changes in the debtor's operating environment, internal and external credit ratings, actual or expected operating results, etc.

# NOTES TO FINANCIAL STATEMENTS

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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### (1) Credit risk (Continued)

##### *Definition of credit-impaired financial assets*

In order to determine whether credit impairment occurs, the defined criteria adopted by the Group are consistent with the internal credit risk management objectives for relevant financial instruments, both of which incorporate quantitative and qualitative indicators. When assessing whether a debtor has suffered credit impairment, the Group primarily considers the following factors:

- (1) significant financial difficulty of the issuer or the debtor;
- (2) breach of contract by the debtor, such as defaulting or delaying the payment of interest or principal repayment;
- (3) a concession granted by the creditor to the debtor due to economic or contractual considerations related to the debtor's financial difficulty, which will not be granted under any other circumstances;
- (4) possible bankruptcy or other financial restructuring of the debtor;
- (5) disappearance of an active market for the financial asset due to financial difficulty of the issuer or the debtor;
- (6) financial assets acquired or sourced at large discounts indicating credit losses have occurred.

Financial assets may be credit-impaired due to the joint effects of multiple events rather than separately identifiable events.

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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### (2) Liquidity risk

The Group's objective is to maintain a balance between continuity and flexibility of funding by utilising a variety of financing instruments. The Group finances its operations through funds generated from operations and borrowings.

The following table summarises the maturity analysis of financial liabilities based on undiscounted contractual cash flows:

#### 31 December 2025

| Item                  | Within 1 year           | 1 to 5 years          | Over 5 years         | Total                   |
|-----------------------|-------------------------|-----------------------|----------------------|-------------------------|
| Short-term borrowings | 711,580,760.44          | -                     | -                    | 711,580,760.44          |
| Trade payables        | 854,027,977.68          | -                     | -                    | 854,027,977.68          |
| Other payables        | 409,073,379.19          | -                     | -                    | 409,073,379.19          |
| Long-term borrowings  | 104,401,752.50          | 70,398,660.00         | -                    | 174,800,412.50          |
| Long-term payables    | 8,789,500.00            | 35,158,000.00         | 28,108,000.00        | 72,055,500.00           |
| Lease liabilities     | 43,111,774.82           | 139,330,864.00        | 31,278,100.00        | 213,720,738.82          |
| <b>Total</b>          | <b>2,130,985,144.63</b> | <b>244,887,524.00</b> | <b>59,386,100.00</b> | <b>2,435,258,768.63</b> |

#### 31 December 2024

| Item                                   | Within 1 year           | 1 to 5 years          | Over 5 years          | Total                   |
|--|-------------------------|-----------------------|-----------------------|-------------------------|
| Short-term borrowings                  | 1,125,073,144.55        | -                     | -                     | 1,125,073,144.55        |
| Financial liabilities held for trading | 707,020,000.00          | -                     | -                     | 707,020,000.00          |
| Trade payables                         | 684,571,183.74          | -                     | -                     | 684,571,183.74          |
| Other payables                         | 225,263,620.79          | -                     | -                     | 225,263,620.79          |
| Long-term borrowings                   | 322,887,259.22          | 624,659,004.51        | -                     | 947,546,263.73          |
| Long-term payables                     | 8,789,500.00            | 35,158,000.00         | 36,897,500.00         | 80,845,000.00           |
| Lease liabilities                      | 46,447,825.12           | 139,927,135.20        | 74,426,042.17         | 260,801,002.49          |
| <b>Total</b>                           | <b>3,120,052,533.42</b> | <b>799,744,139.71</b> | <b>111,323,542.17</b> | <b>4,031,120,215.30</b> |

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### (3) Market risk

##### Interest rate risk

The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's debt obligations with a floating interest rate. The Group manages interest rate risk by closely monitoring changes in interest rates and reviewing borrowings on a regular basis.

The table below presents a sensitivity analysis of interest rate risk, which reflects the impact on net profit or loss (through its effect on floating-rate loans), assuming that all other variables remain constant, from reasonably possible changes in interest rates.

#### 2025

| Item           | Increase/<br>(Decrease)<br>in basis points | (Decrease)/<br>Increase<br>in net profit | Total<br>(decrease)/<br>increase in<br>shareholders'<br>equity |
|----------------|--|--|--|
| RMB-Borrowings | 100  | (1,273,500.00)                           | (1,273,500.00)   |
| RMB-Borrowings | (100)                                      | 1,273,500.00                             | 1,273,500.00   |

#### 2024

| Item           | Increase/<br>(Decrease)<br>in basis points | (Decrease)/<br>Increase<br>in net profit | Total<br>(decrease)/<br>increase in<br>shareholders'<br>equity |
|----------------|--|--|--|
| RMB-Borrowings | 100  | (1,799,700.00)                           | (1,799,700.00)   |
| RMB-Borrowings | (100)                                      | 1,799,700.00                             | 1,799,700.00   |
| USD-Borrowings | 100  | (2,516,459.82)                           | (2,516,459.82)   |
| USD-Borrowings | (100)                                      | 2,516,459.82                             | 2,516,459.82   |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### (3) Market risk (Continued)

##### Exchange rate risk

The Group has transactional exchange rate risk exposures mainly arising from sales or purchases by subsidiaries in currencies other than the subsidiaries' functional currencies. The Group has subsidiaries using USD and RMB as their functional currencies. These subsidiaries have transactions in currencies other than their functional currencies. The Group manages its foreign exchange business in an integrated manner and, when necessary, uses derivative financial instruments such as foreign exchange forward contracts to reduce its exposure to exchange rate risk.

As of 31 December 2025, the Company and its subsidiaries were exposed to foreign currency exchange rate risks in currencies other than USD and HKD, such as the Ghanaian Cedi and the Laotian Kip, though all such exposures were not material.

The following table presents a sensitivity analysis of significant foreign currency exchange rate risk, demonstrating the impact on net profit or loss and other comprehensive income, net of tax, assuming that all other variables remain constant, from reasonably possible changes in the exchange rates of USD and HKD.

#### 2025

| Item                           | Increase/<br>(Decrease) in<br>basis points | (Decrease)/<br>Increase in<br>net profit | Increase/<br>(Decrease)<br>in other<br>comprehensive<br>income after tax | Total<br>(decrease)/<br>increase in<br>shareholders'<br>equity |
|--------------------------------|--|--|--|--|
| If USD weakens against RMB     | 5  | (78,573,691.75)                          | 1,313,857.61   | (77,259,834.14)  |
| If USD strengthens against RMB | (5)  | 78,573,691.75                            | (1,313,857.61)   | 77,259,834.14  |
| If HKD weakens against RMB     | 5  | (27,359,292.19)                          | 386,721.71   | (26,972,570.48)  |
| If HKD strengthens against RMB | (5)  | 27,359,292.19                            | (386,721.71)   | 26,972,570.48  |

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### (3) Market risk (Continued)

##### Exchange rate risk (Continued)

2024

| Item                           | Increase/<br>(Decrease) in<br>basis points | (Decrease)/<br>Increase in<br>net profit | (Decrease)/<br>Increase<br>in other<br>comprehensive<br>income after tax | Total<br>(decrease)/<br>increase in<br>shareholders'<br>equity |
|--------------------------------|--|--|--|--|
| If USD weakens against RMB     | 5  | (213,431.18)                             | (1,998.94)   | (215,430.12)   |
| If USD strengthens against RMB | (5)  | 213,431.18                               | 1,998.94   | 215,430.12   |

##### Price risk of equity instrument investments

Price risk of equity instrument investments refers to the risk that the fair value of equity securities decreases due to changes in the level of stock indices and the value of individual securities. As at 31 December 2025, the Group was exposed to price risk arising from equity instrument investments classified as at fair value through profit or loss (Note V.2) and at fair value through other comprehensive income.

The Group's listed equity instrument investments are listed on the Australian Securities Exchange and the Canadian Securities Exchange, and are measured at quoted market prices as at the balance sheet date. For unlisted equity instrument investments held by the Group, the fair value is estimated using the market approach. Refer to Note XI.3.

##### Commodity price risk

The Group is mainly exposed to the risk of changes in major metals' prices in the future, including gold, copper and zinc. These commodity price fluctuations may affect the Group's operating performance.

The Group has carried out hedging businesses on the future sales of gold. The Board of Directors approves the maximum position size for gold hedging derivative transactions. The leaders of the futures hedging business and the hedging business team are responsible for organising and implementing these transactions and constantly monitoring the price fluctuations of commodity futures contracts.

# NOTES TO FINANCIAL STATEMENTS

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 3. Capital management

The Group's primary objectives for capital management are to safeguard the Group's continuity of operation and keep the capital ratio at a healthy level, so that it can support business development and maximize the value of shareholders.

The Group manages its capital structure and makes adjustments in response to changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, repurchase shares, issue new shares, etc. The Group is not subject to any externally imposed capital requirements. In 2025 and 2024, the capital management objectives, policies or procedures remain unchanged.

The Group manages its capital with the debt-to-asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratio of the Group as at the reporting date was as follows:

| Item                | 31 December<br>2025      | 31 December<br>2024 |
|---------------------|--------------------------|---------------------|
| Total assets        | <b>24,980,770,851.47</b> | 20,328,568,613.12   |
| Total liabilities   | <b>8,470,126,514.40</b>  | 9,605,453,197.04    |
| Debt-to-asset ratio | <b>33.91%</b>            | 47.25%              |

# NOTES TO FINANCIAL STATEMENTS

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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 4. Hedging

#### (1) Risk Management through the Implementation of Hedging

| Item   | Corresponding risk management strategies and objectives                                     | Qualitative and quantitative information about the hedged risks   | The economic relationship between hedges and related hedging instruments   | The effectiveness of expected risk management objectives | The impact of corresponding hedging risk exposure   |
|--|---|---|--|--|---|
| Commodity Hedging<br>Business – Gold Sales   | Managing price risks of expected gold sales with gold futures contracts                     | Gold is an important product of the Group and faces price-fluctuation risks in expected sales   | The Group's principal product, gold, is the same as the gold sold in the corresponding gold futures contracts. The hedging instruments (gold futures contracts) and the hedges (gold expected to be sold) have the same underlying variables. The Group has determined through qualitative analysis that the quantity ratio of the hedging instruments to the hedges is 1:1.                         | Expected to be highly effective                          | The corresponding hedging activities have effectively hedged the price risks of the expected gold sales. For such hedging activities, the Group adopts the accounting method of cash flow hedging.      |
| Commodity Hedging<br>Business – Gold Leasing | Managing price risks of expected gold purchases in gold leasing with gold futures contracts | Gold leasing is one of the crucial financing activities of the Group and the anticipated purchase of gold in the gold leasing is subject to the risk of price changes | The gold purchased in the Group's gold leasing is the same as the corresponding gold purchased in the gold futures contracts. Hedging instruments (gold futures contracts) and the hedges (gold leasing expected to be purchased) have the same underlying variables. The Group has determined through qualitative analysis that the quantity ratio of the hedging instruments to the hedges is 1:1. | Expected to be highly effective                          | The corresponding hedging activities have effectively hedged the price risks of the expected gold purchased. For such hedging activities, the Group adopts the accounting method of fair value hedging. |

#### (2) Conducting eligible hedging business and applying hedge accounting

| Item                                   | Hedging category   | Carrying amount related to the hedged item and the hedging instrument   | Accumulated fair value adjustments on the hedged included in the carrying amount of hedges | Sources of hedging effectiveness and the ineffectiveness of hedging | The relevant impacts of hedge accounting on the financial statements   |
|--|--------------------|---|--|---|--|
| Commodity Price Risk –<br>Gold Sales   | Cash flow hedging  | As at 31 December 2025, the hedged item: Expected sales, with no carrying value. As at 31 December 2025, the hedging instruments: all positions have been closed, with no derivative financial assets/liabilities.  | Not Applicable   | Expected to be highly effective                                     | In 2025, the spot element loss of derivatives amounted to RMB56,477,489.92, which reduced the operating income by RMB56,477,489.92.  |
| Commodity Price Risk –<br>Gold Leasing | Fair value hedging | As at 31 December 2025, the hedged item: Financial liabilities held for trading, with no carrying value. As at 31 December 2025, the hedging instruments: derivative financial assets/liabilities, all positions have been closed, with no derivative financial assets/liabilities. | Not Applicable   | Expected to be highly effective                                     | In 2025, the derivative gains of RMB74,410,118.00 were offset against losses of RMB84,347,825.38 on changes in the fair value of the financial liabilities held for trading. |

# NOTES TO FINANCIAL STATEMENTS

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## XI. DISCLOSURE OF FAIR VALUE

### 1. Assets and liabilities measured at fair value

#### 31 December 2025

| Item  | Fair value at the end of the year    |                                      |                                      | Total         |
|---|--------------------------------------|--------------------------------------|--------------------------------------|---------------|
|   | Level 1<br>fair value<br>measurement | Level 2<br>fair value<br>measurement | Level 3<br>fair value<br>measurement |               |
| <b>Continuous fair value measurement</b>            |                                      |                                      |                                      |               |
| Financial assets held for trading                   |                                      |                                      |                                      |               |
| Equity instrument investments                       | 19,231,618.75                        | –                                    | –                                    | 19,231,618.75 |
| Other equity instrument investment                  | –                                    | –                                    | 10,000,000.00                        | 10,000,000.00 |
| Total assets measured at<br>fair value continuously | 19,231,618.75                        | –                                    | 10,000,000.00                        | 29,231,618.75 |

#### 31 December 2024

| Item   | Fair value at the end of the year    |                                      |                                      | Total          |
|--|--------------------------------------|--------------------------------------|--------------------------------------|----------------|
|  | Level 1<br>fair value<br>measurement | Level 2<br>fair value<br>measurement | Level 3<br>fair value<br>measurement |                |
| Continuous fair value measurement                        |                                      |                                      |                                      |                |
| Financial assets held for trading                        |                                      |                                      |                                      |                |
| Equity instrument investments                            | 9,998,984.68                         | –                                    | –                                    | 9,998,984.68   |
| Derivative financial assets                              |                                      |                                      |                                      |                |
| Gold futures contracts                                   | 5,251,800.00                         | –                                    | –                                    | 5,251,800.00   |
| Total assets measured at<br>fair value continuously      | 15,250,784.68                        | –                                    | –                                    | 15,250,784.68  |
| Financial liabilities held for trading                   |                                      |                                      |                                      |                |
| Gold leasing   | 707,020,000.00                       | –                                    | –                                    | 707,020,000.00 |
| Total liabilities measured at<br>fair value continuously | 707,020,000.00                       | –                                    | –                                    | 707,020,000.00 |

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

## **XI. DISCLOSURE OF FAIR VALUE (CONTINUED)**

### **2. Level 1 fair value measurement**

The fair value of the equity instrument investment in a listed company, gold futures contracts and gold leasing shall be determined at the quoted market price.

### **3. Level 3 fair value measurement**

Items measured at fair value within Level 3 consist of equity investments in unlisted companies.

For other equity instrument investments and other non-current financial assets that are not traded in active markets, the Company holds a relatively low percentage of equity or shares in the investees and does not exercise significant influence. It is impracticable to apply valuation techniques such as the income approach or market approach to determine the fair value of these investments. Furthermore, there have been no recent transactions involving the introduction of external investors or transfers of equity between existing shareholders in the investee companies that could provide a reliable reference for determining fair value. Additionally, based on an analysis of information available to the Company, no significant changes in the investees' internal or external environment have been identified since the beginning of the year. Therefore, these circumstances fall under the "limited circumstances" where carrying cost is considered the best estimate of fair value. Accordingly, the fair value as at the end of the year is based on cost.

### **4. Basis for determining the market price of continuous and non-continuous Level 1 fair value measurements**

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry insider, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Among the continuous level 1 fair value measurements, financial assets held for trading are the gold futures contracts and the equity investments in the secondary market, and the market price is determined based on the settlement price of the gold futures contract held on the Shanghai Futures Exchange at the reporting date and the public trading price in the stock exchange market; financial liabilities held for trading are the fair value of the outstanding gold lease financing, and the market price is determined based on the closing price of the gold lease products on the Shanghai Gold Exchange at the reporting date.

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## **XI. DISCLOSURE OF FAIR VALUE (CONTINUED)**

### **5. Financial assets and financial liabilities not measured at fair value**

Management has assessed cash and bank balances, trade receivable, other receivables, other current assets, short-term borrowings, trade payables, other payables, non-current liabilities due within one year, etc. Given the short-term maturities, the fair values approximate to the book values.

As at 31 December 2025, since the long-term borrowings were mainly floating-rate loans, the fair value determined by the discounted future cash flow method was similar to its carrying value.

There was no significant transfer between the fair value levels of the Group in 2025 (2024: Nil).

## **XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS**

### **1. Parent company**

The ultimate controller and controlling shareholder of the Company is Ms. Li Jinyang.

### **2. Subsidiaries**

For details of the subsidiaries of the Company, please refer to Note VIII.1 Investments in subsidiaries.

### **3. Associates**

For associates of the Group, please refer to Note V.10 and Note VIII. 2 Interests in associates.

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## XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 4. Other related parties

| Name of other related parties   | Related party relationships                                      |
|---|--|
| Zhejiang Hanfeng  | Persons acting in concert with the controlling shareholder       |
| Beijing Hanfeng United Technology Co., Ltd.                           | Entity under common control of the actual controller             |
| Beijing Eagleleap Technology Co., Ltd.<br>("Eagleleap")               | Entity under common control of the actual controller             |
| Hi-Fortune Capital Management Limited                                 | Entity under common control of the actual controller             |
| Jilin Hanfeng Investment Co., Ltd.                                    | Entity under common control of the actual controller             |
| Jilin Hanfeng Graphite Co., Ltd.                                      | Entity under common control of the actual controller             |
| Panshi Hengxiang Animal Husbandry Co., Ltd.                           | Entity under common control of the actual controller             |
| Jilin Hanfeng Graphite New Material Technology Co., Ltd.              | Entity under common control of the actual controller             |
| Beijing Anxin Xingye Management Consulting Co., Ltd.                  | Entity under common control of the actual controller             |
| Jilin Shiji Xingjin Corn Technology Development Co., Ltd.             | Entity under common control of the actual controller             |
| Jilin Hanfeng Electric Co., Ltd.                                      | Shareholding company of the actual controller's immediate family |
| Yitong Manchu Autonomous County Jisen Fenghua Zinc Industry Co., Ltd. | Shareholding company of the actual controller's immediate family |
| Liang Xiaoyan   | Other shareholder of the subsidiary                              |

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## XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 5. Related party transactions

(1) Related party transactions of purchase and sale of goods, rendering and receipt of services

Summary of purchase of goods/receipt of services

| Related party | Related party transactions                     | 2025       | 2024       |
|---------------|--|------------|------------|
| Eagleleap     | Utilities expense                              | 110,320.00 | 117,332.00 |
| Eagleleap     | Service fees for catering, accommodation, etc. | 988,215.00 | 915,963.40 |

(2) Related party leases

The Group as a lessee:

#### 2025

| Related party | Category of leased assets | Rental expenses relating to short-term leases and leases with low-value assets | Variable lease payments not included in the measurement of lease liabilities | Rental payments | Interest expenses of lease liabilities | Increase in right-of-use assets |
|---------------|---------------------------|--|--|-----------------|--|---------------------------------|
| Eagleleap     | Buildings and vehicles    | 220,000.00   | -  | 4,224,948.00    | 307,453.76                             | 7,985,812.00                    |

#### 2024

| Related party | Category of leased assets | Rental expenses relating to short-term leases and leases with low-value assets | Variable lease payments not included in the measurement of lease liabilities | Rental payments | Interest expenses of lease liabilities | Increase in right-of-use assets |
|---------------|---------------------------|--|--|-----------------|--|---------------------------------|
| Eagleleap     | Buildings and vehicles    | 222,000.00   | -  | 4,468,695.00    | 83,831.95                              | -                               |

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## XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 5. Related party transactions (Continued)

#### (2) Related party leases (Continued)

The Group as a lessor:

| Item         | Category of leased assets | The lease revenue for 2025 | The lease revenue for 2024 |
|--------------|---------------------------|----------------------------|----------------------------|
| Anhui Wanxun | Buildings                 | 380,952.38                 | –                          |

#### (3) Related party guarantee

The Group as a guarantor

| Guaranteed party | Utilised Guarantee Amount | Start date of guarantee | Expiration date of guarantee | Whether the guarantee has been completed |
|------------------|---------------------------|-------------------------|------------------------------|--|
| Jilong Mining    | RMB197,545,950            | 12 June 2025            | 12 June 2029                 | No                                       |
| Wulong Mining    | RMB116,084,500            | 19 February 2025        | 13 February 2029             | No                                       |
| Wulong Mining    | RMB135,663,660            | 26 February 2025        | 26 February 2029             | No                                       |
| LXML             | USD100,000                | 29 August 2025          | 29 August 2029               | No                                       |

All the guarantees provided by the Company as the guarantor are free of charge.

#### (4) Compensation of key management

Unit: ten thousand yuan Currency: RMB

| Item                           | 2025     | 2024     |
|--------------------------------|----------|----------|
| Compensation of key management | 5,095.92 | 3,247.26 |

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For the year ended 31 December 2025

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## XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 6. Receivables and payables of related parties

#### (1) Payables

| Item  | Related party | 31 December<br>2025 | 31 December<br>2024 |
|---|---------------|---------------------|---------------------|
| Other payables  | Eagleleap     | –                   | 9,600.00            |
| Lease liabilities (Including:<br>due within one year) | Eagleleap     | <b>4,224,948.00</b> | –                   |

The payables to related parties are interest free and unsecured.

### 7. Related party commitments

Unit: ten thousand yuan Currency: RMB

| Related party     | 2025                                |                                  | 2024                                |                                  |
|-------------------|-------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
|                   | Subscribed<br>registered<br>capital | Paid-in<br>registered<br>capital | Subscribed<br>registered<br>capital | Paid-in<br>registered<br>capital |
| Fengyu New Energy | <b>25,500</b>                       | <b>200</b>                       | 25,500                              | 200                              |
| Enbo Technology   | <b>420</b>                          | <b>420</b>                       | 420                                 | 252                              |
| Enbo New Energy   | <b>30</b>                           | <b>4.20</b>                      | 30                                  | 2.52                             |
| Guohong Gold      | <b>1,100</b>                        | –                                | 1,100                               | –                                |

Please refer to Note XIV. 1 for the amount affected by the commitments of the above-mentioned related parties.

### 8. Other description

Regarding 5. (2) above, the related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

# NOTES TO FINANCIAL STATEMENTS

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## XIII. SHARE-BASED PAYMENT

### 1. Phase III Employee Stock Ownership Plan

On 30 December 2024, the Company convened the 33rd meeting of the 8th Board of Directors and the 24th meeting of the 7th Board of Supervisors. On 15 January 2025, the Company held the 2025 first Extraordinary General Meeting. These meetings respectively reviewed and approved the “Proposal of < Draft of the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.> and Its Summary”, the “Proposal of <Administrative Measures for the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.>”, and the “Proposal of Requesting the General Meeting to Authorise the Board of Directors to Handle Matters Related to the Company’s Phase III Employee Stock Ownership Plan”.

The Company and its subsidiaries’ directors, supervisors, senior management, and other core personnel participated in the Phase III Employee Stock Ownership Plan, with a total of 194 individuals actually subscribing. The Company granted 15,182,600 shares at a grant price of RMB14.50 per share, with the registration completed on 24 February 2025. As of 24 February 2025, the incentive recipients had fully paid the subscription amount of RMB220,147,700.00 to the Company.

Pursuant to the terms of the Phase III Employee Stock Ownership Plan, if the vesting conditions specified in the plan are met (The vesting condition is “the Group’s gold production in 2025 increases by 5% (inclusive) or more year-on-year”), the incentive recipients may apply to unlock up to the full number of shares granted as of 24 February 2026.

The year-on-year growth in gold production for 2025 was below 5%, which did not meet the conditions for vesting. Consequently, no expense related to share-based payment settled in equity was recognised for the year.

### 2. General information of share-based payments

#### 2025

|  |                   |
|--|-------------------|
| Total equity instruments granted by the Company in the current year  | 15,182,600 shares |
| Total equity instruments exercised in the current year   | –                 |
| Total equity instruments which became forfeited in the current year  | 15,182,600 shares |
| The scope of exercise prices and remaining contract terms of<br>outstanding share options of the Company as at the end of the year.            | Not applicable    |
| The scope of exercise prices and remaining contract terms of<br>other outstanding equity instruments of the Company as at the end of the year. | Not applicable    |

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## XIII. SHARE-BASED PAYMENT(CONTINUED)

### 3. Equity-settled share-based payments

#### 2025

|   |  |
|---|--|
| Determination method of fair value of equity instruments on the grant date                | The Company determines the fair value of the ESOP by subtracting the grant price from the market price on the grant date.  |
| Determination basis of quantity of exercisable equity instruments                         | The Company conducts performance evaluations based on specific performance indicators. The number of shares held by the incentive recipients who have achieved the performance targets is the determination basis. |
| Reason for significant difference between current-year estimates and last-year estimates  | Not applicable   |
| Accumulated amount of equity-settled share-based payments recognised in capital reserve   | –  |
| Total expenses recognised for equity-settled share-based payments during the current year | –  |

In 2025, the Company had no equity-based payments settled in cash.

## XIV. COMMITMENTS AND CONTINGENCIES

### 1. Significant commitments

| Item                       | 2025           | 2024           |
|----------------------------|----------------|----------------|
| Signed but not provisioned |                |                |
| Capital commitment         | 301,566,941.11 | 187,634,930.66 |
| Investment commitment      | 264,258,000.00 | 333,698,281.60 |
| Total                      | 565,824,941.11 | 521,333,212.26 |

### 2. Contingencies

#### (1) Material contingent events existing on the balance sheet date

The Company's subsidiary, LXML, has had a contractual dispute with Qingdao Guolin Environmental Protection Technology Co., Ltd. (the Defendant) over equipment. As the plaintiff, LXML engaged DeTong International Limited Liability Partnership to file a complaint with the High Court of Hong Kong on 10 December 2021, and a writ of summons was issued by the Court of First Instance of the High Court of Hong Kong. The case has not yet been officially heard in court, and the outcome of the litigation is uncertain.

# NOTES TO FINANCIAL STATEMENTS

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## XV. EVENTS AFTER THE REPORTING PERIOD

Pursuant to the resolution passed at the board meeting held on 20 March 2026, the 2025 Profit Distribution Plan of the Group was as follows: the Company proposes to distribute a cash dividend of RMB0.32 (tax inclusive) per share to all shareholders who are eligible for distribution on the record date determined by the profit distribution implementation announcement for 2025. The actual amount of cash dividend to be distributed will be determined according to the number of shares on the record date. The above profit distribution plan shall be subject to consideration and approval at the 2025 AGM.

## XVI. OTHER SIGNIFICANT EVENTS

### 1. Segment information

#### (1) Determination basis and accounting policies of reporting segments

The Directors and certain senior managers of the Company (hereinafter referred to as “**senior management**”) perform the functions of principal operating decision makers. Senior management reviews the internal reports of the Group to evaluate the performance of operating segments and allocate resources. The Company determines its operating segments based on such internal reports.

The Company’s operating segments include domestic mining segment, overseas mining segment and others segments. The domestic mining segment conducts mining and processing of gold and nonferrous metals in China. The overseas mining segment conducts mining and processing of gold, nonferrous metals and rare earths in Laos and Ghana. Others segment is mainly engaged in comprehensive resource recycling in China.

The senior management monitors the results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted operating profit before tax. The adjusted operating profit before tax is measured consistently with the Group’s operating profit before tax except that interest income, interest expenses, dividend income, gains or losses on changes in fair value of the financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude cash and bank balances, deferred tax assets, equity investments at fair value through profit or loss, other equity instrument investment, derivative financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude financial liabilities at fair value through profit or loss, derivative financial instruments, borrowings, deferred tax liabilities, taxes payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

# NOTES TO FINANCIAL STATEMENTS

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 1. Segment information (Continued)

(2) Financial information of each reporting segment

#### 2025

| Item   | Domestic mining  | Overseas mining   | Others           | Total             |
|--|------------------|-------------------|------------------|-------------------|
| Operating income                                       | 3,427,703,357.36 | 8,999,164,512.03  | 319,616,277.77   | 12,746,484,147.16 |
| Operating income between segments                      | -                | -                 | (107,977,918.04) | (107,977,918.04)  |
| External operating income                              | 3,427,703,357.36 | 8,999,164,512.03  | 211,638,359.73   | 12,638,506,229.12 |
| Segment profits/(losses)                               | 2,057,049,425.95 | 2,975,895,636.29  | (45,571,055.93)  | 4,987,374,006.31  |
| Reconciliation:  |                  |                   |                  |                   |
| Head office profits and unallocated profits and losses | /                | /                 | /                | (44,876,494.30)   |
| Interest income  | /                | /                 | /                | 86,262,030.66     |
| Interest expenses                                      | /                | /                 | /                | (102,888,053.18)  |
| Profit before tax                                      | /                | /                 | /                | 4,925,871,489.49  |
| Assets and liabilities                                 |                  |                   |                  |                   |
| Segment assets   | 3,479,710,912.01 | 14,155,006,582.39 | 365,255,587.30   | 17,999,973,081.70 |
| Unallocated assets                                     | /                | /                 | /                | 6,980,797,769.77  |
| Total assets   | /                | /                 | /                | 24,980,770,851.47 |
| Segment liabilities                                    | 542,382,230.34   | 3,190,192,137.23  | 21,106,795.28    | 3,753,681,162.85  |
| Unallocated liabilities                                | /                | /                 | /                | 4,716,445,351.55  |
| Total liabilities                                      | /                | /                 | /                | 8,470,126,514.40  |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 1. Segment information (Continued)

(2) Financial information of each reporting segment (Continued)

| Item                          | Domestic mining  | Overseas mining  | Others          | Head office  | Total             |
|-------------------------------|------------------|------------------|-----------------|--------------|-------------------|
| External operating income     | 3,427,703,357.36 | 8,999,164,512.03 | 211,638,359.73  | -            | 12,638,506,229.12 |
| Share of losses of associates | (102,917.73)     | -                | (4,340.87)      | (174,241.11) | (281,499.71)      |
| Impairment losses on assets   | (54,054,916.67)  | (145,506,926.04) | (25,026,876.39) | -            | (224,588,719.10)  |
| Depreciation and amortisation | 182,860,206.18   | 1,038,635,015.96 | 5,939,055.03    | 5,174,201.29 | 1,232,608,478.46  |
| Income tax expenses           | 296,333,943.10   | 1,189,477,812.32 | (7,328,233.43)  | -            | 1,478,483,521.99  |
| Investments in associates     | 4,131,356.62     | -                | 3,395,659.13    | 1,243,930.21 | 8,770,945.96      |

### 2024

| Item   | Domestic mining  | Overseas mining   | Others           | Total             |
|--|------------------|-------------------|------------------|-------------------|
| Operating income                                       | 2,481,141,778.08 | 6,241,158,714.81  | 437,442,682.81   | 9,159,743,175.70  |
| Operating income between segments                      | -                | -                 | (133,921,353.48) | (133,921,353.48)  |
| External operating income                              | 2,481,141,778.08 | 6,241,158,714.81  | 303,521,329.33   | 9,025,821,822.22  |
| Segment profits  | 1,341,840,802.47 | 1,616,725,323.11  | 34,269,778.18    | 2,992,835,903.76  |
| Reconciliation:  |                  |                   |                  |                   |
| Head office profits and unallocated profits and losses | /                | /                 | /                | (2,831,204.58)    |
| Interest income  | /                | /                 | /                | 38,389,697.15     |
| Interest expenses                                      | /                | /                 | /                | (208,992,302.95)  |
| Profit before tax                                      | /                | /                 | /                | 2,819,402,093.38  |
| Assets and liabilities                                 |                  |                   |                  |                   |
| Segment assets   | 3,417,917,967.68 | 13,351,290,376.88 | 658,206,389.12   | 17,427,414,733.68 |
| Unallocated assets                                     | /                | /                 | /                | 2,901,153,879.44  |
| Total assets   | /                | /                 | /                | 20,328,568,613.12 |
| Segment liabilities                                    | 617,984,933.73   | 3,202,469,500.61  | 18,321,009.48    | 3,838,775,443.82  |
| Unallocated liabilities                                | /                | /                 | /                | 5,766,677,753.22  |
| Total liabilities                                      | /                | /                 | /                | 9,605,453,197.04  |

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 1. Segment information (Continued)

(2) Financial information of each reporting segment (Continued)

| Item                                    | Domestic<br>mining | Overseas<br>mining | Others         | Head office  | Total            |
|---|--------------------|--------------------|----------------|--------------|------------------|
| External operating income               | 2,481,141,778.08   | 6,241,158,714.81   | 303,521,329.33 | -            | 9,025,821,822.22 |
| Share of profits/(losses) of associates | -                  | 7,320,797.94       | -              | (126,685.51) | 7,194,112.43     |
| Impairment reversal/(losses) on assets  | 9,554,409.03       | (15,181,470.10)    | 730,003.46     | -            | (4,897,057.61)   |
| Depreciation and amortisation           | 160,210,214.20     | 1,105,217,020.17   | 6,309,797.41   | 5,359,520.65 | 1,277,096,552.43 |
| Income tax expenses                     | 194,103,867.01     | 633,667,840.29     | 5,665,797.00   | -            | 833,437,504.30   |
| Investments in associates               | 2,537,474.35       | -                  | -              | 1,418,171.32 | 3,955,645.67     |

### Regional information

#### External operating income

| Item             | 2025                     | 2024             |
|------------------|--------------------------|------------------|
| Chinese mainland | <b>3,639,341,717.09</b>  | 2,784,663,107.41 |
| Overseas         | <b>8,999,164,512.03</b>  | 6,241,158,714.81 |
| Total            | <b>12,638,506,229.12</b> | 9,025,821,822.22 |

The external operating income above is based on the locations of the subsidiaries.

#### Non-current assets

| Item             | 2025                     | 2024              |
|------------------|--------------------------|-------------------|
| Chinese mainland | <b>3,398,556,605.46</b>  | 3,239,747,490.51  |
| Overseas         | <b>11,125,421,577.24</b> | 10,502,370,783.13 |
| Total            | <b>14,523,978,182.70</b> | 13,742,118,273.64 |

The non-current asset information above is based on the locations of the assets and excludes financial assets and deferred tax assets.

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 1. Segment information (Continued)

(2) Financial information of each reporting segment (Continued)

Information about major customers

Operating income of RMB4,821,729,058.34 was derived from sales by the overseas mining segment to a single customer ABC Refinery (Australia) Pty Limited (2024: RMB2,997,139,762.60), and operating income of RMB2,848,409,872.43 was derived from sales by the overseas mining segment to a single customer Rand Refinery Proprietary Limited (2024: RMB2,477,037,153.74).

### 2. Directors' and supervisors' remuneration

Remuneration accrued for directors and supervisors during the year is as follows:

| Item   | 2025          | 2024          |
|--|---------------|---------------|
| Fees   | 1,281,818.18  | 1,214,742.25  |
| Other emoluments:  |               |               |
| Salaries, allowances and benefits in kind                      | 15,354,061.33 | 11,388,070.55 |
| Performance related bonuses                                    | 15,250,000.00 | 8,163,695.50  |
| Defined contribution plan-basic pension insurance              | 123,719.36    | 117,106.62    |
| Other social security contributions and housing provident fund | 148,081.92    | 138,068.04    |
| Total  | 32,157,680.79 | 21,021,682.96 |

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 2. Directors' and supervisors' remuneration (Continued)

#### (1) Independent non-executive directors and non-executive directors

The fees for the independent non-executive directors and non-executive directors during the year are as follows:

| Item                               | 2025                | 2024         |
|------------------------------------|---------------------|--------------|
| Zhang Xudong (note (i))            | 320,000.00          | 320,000.00   |
| Mao Jingwen (note (ii))            | 200,000.00          | 194,301.06   |
| Shen Zhengchang (note (iii))       | 200,000.00          | 194,301.06   |
| Hu Nailian (note (iv))             | 240,000.00          | 194,301.06   |
| Li Yan (note (v))                  | –                   | 116,724.14   |
| Guo Qingui (note (vi))             | –                   | 116,724.14   |
| Wong Yet Ping Ambrose (note (vii)) | 240,000.00          | 78,390.79    |
| Li Houmin (note (viii))            | 40,909.09           | –            |
| Jiang Qi (note (ix))               | 40,909.09           | –            |
| <b>Total</b>                       | <b>1,281,818.18</b> | 1,214,742.25 |

There was no other remuneration payable to independent non-executive directors during the year (for the year ended 31 December 2024: Nil).

- (i) Zhang Xudong was appointed as a non-executive director on 4 January 2022.
- (ii) Mao Jingwen was appointed as an independent director on 4 January 2022 and resigned on 31 October 2025.
- (iii) Shen Zhengchang was appointed as an independent director on 4 January 2022 and resigned on 31 October 2025.
- (iv) Hu Nailian was appointed as an independent director on 4 January 2022.
- (v) Li Yan was appointed as an independent director on 17 September 2018 and resigned on 23 August 2024.
- (vi) Guo Qingui was appointed as an independent director on 17 September 2018 and resigned on 23 August 2024.
- (vii) Wong Yet Ping Ambrose was appointed as an independent director on 23 August 2024.
- (viii) Li Houmin was appointed as an independent director on 31 October 2025.
- (ix) Jiang Qi was appointed as an independent director on 31 October 2025.

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**XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)**

## 2. Directors' and supervisors' remuneration (Continued)

(2) Executive directors

**2025**

|                            | Salaries,<br>allowances<br>and benefits<br>in kind | Performance<br>related<br>bonuses | Defined<br>contribution<br>plan – basic<br>pension<br>insurance | Other social<br>security<br>contributions<br>and housing<br>provident fund | Total         |
|----------------------------|--|-----------------------------------|---|--|---------------|
| Wang Jianhua (note (xi))   | 3,494,000.00                                       | 3,000,000.00                      | –   | –  | 6,494,000.00  |
| Gao Bo (note (xi))         | 3,656,666.67                                       | 3,650,000.00                      | 68,250.24   | 98,052.24  | 7,472,969.15  |
| Yang Yi-fang (note (xii))  | 3,995,833.33                                       | 3,400,000.00                      | 16,380.00   | –  | 7,412,213.33  |
| Lyu Xiaozhao (note (xiii)) | 3,316,666.67                                       | 2,300,000.00                      | –   | –  | 5,616,666.67  |
| Zhao Qiang (note (xiv))    | 483,333.33   | 2,900,000.00                      | 11,459.52   | 16,257.56  | 3,411,050.41  |
| Total                      | 14,946,500.00                                      | 15,250,000.00                     | 96,089.76   | 114,309.80   | 30,406,899.56 |

## 2024

|                            | Salaries,<br>allowances<br>and benefits<br>in kind | Performance<br>related<br>bonuses | Defined<br>contribution<br>plan – basic<br>pension<br>insurance | Other social<br>security<br>contributions<br>and housing<br>provident fund | Total         |
|----------------------------|--|-----------------------------------|---|--|---------------|
| Wang Jianhua (note (xi))   | 3,425,500.00                                       | 2,397,850.00                      | –   | –  | 5,823,350.00  |
| Gao Bo (note (xi))         | 2,079,890.55                                       | 1,871,901.50                      | 57,600.00   | 81,720.00  | 4,091,112.05  |
| Yang Yi-fang (note (xii))  | 2,848,680.00                                       | 2,278,944.00                      | 16,429.50   | –  | 5,144,053.50  |
| Lyu Xiaozhao (note (xiii)) | 2,000,000.00                                       | 1,400,000.00                      | –   | –  | 3,400,000.00  |
| Total                      | 10,354,070.55                                      | 7,948,695.50                      | 74,029.50   | 81,720.00  | 18,458,515.55 |

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 2. Directors' and supervisors' remuneration (Continued)

#### (2) Executive directors (Continued)

There is no agreement pursuant to which any director or supervisor has waived or agreed to waive any remuneration for the year.

- (x) Wang Jianhua was appointed as a director on 17 September 2018.
- (xi) Gao Bo was appointed as a director on 14 December 2012.
- (xii) Yang Yi-fang was appointed as a director on 26 July 2022.
- (xiii) Lyu Xiaozhao was appointed as a director on 14 December 2012.
- (xiv) Zhao Qiang was appointed as a director on 31 October 2025.

#### (3) Supervisors

#### 2025

|                | Salaries,<br>allowances<br>and benefits<br>in kind | Performance<br>related<br>bonuses | Defined<br>contribution<br>plan – basic<br>pension<br>insurance | Other social<br>security<br>contributions<br>and housing<br>provident fund | Total      |
|----------------|--|-----------------------------------|---|--|------------|
| Cheng Zhenlong | 135,483.89   | –                                 | 8,000.00  | 8,212.00   | 151,695.89 |
| Ji Hongyong    | 185,806.45   | –                                 | 19,629.60   | 25,560.12  | 230,996.17 |
| Liu Fengwu     | 86,270.99  | –                                 | –   | –  | 86,270.99  |
| Total          | 407,561.33   | –                                 | 27,629.60   | 33,772.12  | 468,963.05 |

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 2. Directors' and supervisors' remuneration (Continued)

(3) Supervisors (Continued)

2024

|                | Salaries,<br>allowances<br>and benefits<br>in kind | Performance<br>related<br>bonuses | Defined<br>contribution<br>plan – basic<br>pension<br>insurance | Other social<br>security<br>contributions<br>and housing<br>provident fund | Total        |
|----------------|--|-----------------------------------|---|--|--------------|
| Cheng Zhenlong | 350,000.00   | 105,000.00                        | 19,200.00   | 18,890.94  | 493,090.94   |
| Ji Hongyong    | 480,000.00   | 40,000.00                         | 23,877.12   | 37,457.10  | 581,334.22   |
| Liu Fengwu     | 204,000.00   | 70,000.00                         | –   | –  | 274,000.00   |
| Total          | 1,034,000.00                                       | 215,000.00                        | 43,077.12   | 56,348.04  | 1,348,425.16 |

Considered and approved at the 2024 annual general meeting held on 12 June 2025, the Company resolved to disband the Supervisory Committee, with its authorities transferred to the Board Audit Committee. Consequently, the Company's Rules of Procedure for the Supervisory Committee and other relevant rules have been abolished accordingly.

### 3. Five highest paid employees

The five highest paid employees of the Group during the current year were three directors (2024: three directors), the details of their remuneration are disclosed above. Details of the remuneration for the current year of the remaining two highest-paid employees (2024 :two), other than directors and supervisors, are as follows:

|  | 2025          | 2024         |
|--|---------------|--------------|
| Salaries, allowances and benefits in kind                      | 6,136,250.00  | 6,351,287.84 |
| Performance related bonuses                                    | 6,100,000.00  | 1,582,997.18 |
| Defined contribution plan – basic pension insurance            | 85,995.24     | 15,360.00    |
| Other social security contributions and housing provident fund | 98,052.24     | 10,272.00    |
| Total  | 12,420,297.48 | 7,959,917.02 |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 3. Five highest paid employees (Continued)

The number of highest-paid employees, other than Directors and Supervisors, whose remuneration falls within the following bands is as follows:

|                                      | Number of employees |      |
|--------------------------------------|---------------------|------|
|                                      | 2025                | 2024 |
| HK\$4,000,000.00 to HK\$4,500,000.00 | –                   | 1    |
| HK\$4,500,001.00 to HK\$5,000,000.00 | –                   | 1    |
| HK\$5,000,001.00 to HK\$5,500,000.00 | –                   | –    |
| HK\$5,500,001.00 to HK\$6,000,000.00 | –                   | –    |
| HK\$6,000,001.00 to HK\$6,500,000.00 | –                   | –    |
| HK\$6,500,001.00 to HK\$7,000,000.00 | 2                   | –    |
| Total                                | 2                   | 2    |

Note: The exchange rate of HKD to RMB used in the current and previous year is 1:0.91617 and 1:0.91275, respectively.

## XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

### 1. Other receivables

| Item                 | 31 December<br>2025 | 31 December<br>2024 |
|----------------------|---------------------|---------------------|
| Dividends receivable | –                   | 660,000,000.00      |
| Other receivables    | 1,146,785,248.46    | 558,723,453.00      |
| Total                | 1,146,785,248.46    | 1,218,723,453.00    |

An ageing analysis of other receivables is as follows:

| Ageing   | 31 December<br>2025 | 31 December<br>2024 |
|--|---------------------|---------------------|
| Within 1 year                                  | 1,106,304,782.20    | 304,086,121.51      |
| Over 1 year but within 2 years                 | 502,055.86          | 53,438,723.50       |
| Over 2 years but within 3 years                | 39,978,410.40       | 201,198,607.99      |
| Subtotal                                       | 1,146,785,248.46    | 558,723,453.00      |
| Less: Bad debt provision for other receivables | –                   | –                   |
| Total  | 1,146,785,248.46    | 558,723,453.00      |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 1. Other receivables (Continued)

The details of other receivables by nature are as follows:

| Nature  | 31 December<br>2025 | 31 December<br>2024 |
|---|---------------------|---------------------|
| Intra-group transactions                                | 1,144,434,303.97    | 556,400,156.70      |
| Guarantees and deposits                                 | 2,127,614.44        | 2,225,009.05        |
| Employee borrowings, reserves and personal transactions | 223,330.05          | 98,287.25           |
| Total   | 1,146,785,248.46    | 558,723,453.00      |

### 2025

|                                      | Carrying amount  |            | Bad debt provision |              | Net book value     |
|--------------------------------------|------------------|------------|--------------------|--------------|--------------------|
|                                      | Amount           | Proportion | Amount             | Percentage   |                    |
|                                      |                  | (%)        |                    | of provision |                    |
|                                      | Amount           | (%)        | Amount             | (%)          |                    |
| Bad debt provision made individually | 1,146,785,248.46 | 100.00     | -                  | -            | - 1,146,785,248.46 |

### 2024

|                                      | Carrying amount |            | Bad debt provision |              | Net book value   |
|--------------------------------------|-----------------|------------|--------------------|--------------|------------------|
|                                      | Amount          | Proportion | Amount             | Percentage   |                  |
|                                      |                 | (%)        |                    | of provision |                  |
|                                      | Amount          | (%)        | Amount             | (%)          |                  |
| Bad debt provision made individually | 558,723,453.00  | 100.00     | -                  | -            | - 558,723,453.00 |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 1. Other receivables (Continued)

Other receivables for which bad debt provision has been made individually are as follows:

|                                    | 2025             |                    |  | 2024            |                    |                             |
|------------------------------------|------------------|--------------------|--|-----------------|--------------------|-----------------------------|
|                                    | Carrying amount  | Bad debt provision | Percentage of provision (%) Reason for provision | Carrying amount | Bad debt provision | Percentage of provision (%) |
| Chijin Laos                        | 418,975,326.73   | -                  | - Based on the proportion of risk                | -               | -                  | -                           |
| Chijin HK                          | 329,809,672.24   | -                  | - Based on the proportion of risk                | 450,303,285.89  | -                  | -                           |
| LXML                               | 80,128,320.00    | -                  | - Based on the proportion of risk                | -               | -                  | -                           |
| Jilong Mining                      | 70,000,000.00    | -                  | - Based on the proportion of risk                | -               | -                  | -                           |
| Jintai Mining                      | 60,005,000.00    | -                  | - Based on the proportion of risk                | 66,560,670.81   | -                  | -                           |
| Guangyuan Technology               | 59,849,335.00    | -                  | - Based on the proportion of risk                | -               | -                  | -                           |
| Wulong Mining                      | 57,000,000.00    | -                  | - Based on the proportion of risk                | -               | -                  | -                           |
| GSWL                               | 38,658,400.00    | -                  | - Based on the proportion of risk                | 39,536,200.00   | -                  | -                           |
| Hanfeng Mining                     | 20,000,000.00    | -                  | - Based on the proportion of risk                | -               | -                  | -                           |
| Guangyuan Environmental Protection | 10,008,250.00    | -                  | - Based on the proportion of risk                | -               | -                  | -                           |
| Others                             | 2,350,944.49     | -                  | - Based on the proportion of risk                | 2,323,296.30    | -                  | -                           |
| Total                              | 1,146,785,248.46 | -                  | / /  | 558,723,453.00  | -                  | /                           |

The movements of bad debt provisions

|      | Opening balance | Provision during the year | Recovery or reversal during the year | Write-off during the year | Other movement | Closing balance |
|------|-----------------|---------------------------|--------------------------------------|---------------------------|----------------|-----------------|
| 2025 | -               | -                         | -                                    | -                         | -              | -               |
| 2024 | 11,088.76       | -                         | 11,088.76                            | -                         | -              | -               |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 1. Other receivables (Continued)

The five entities with the largest closing balances of other receivables as at 31 December 2025 are as follows:

#### 31 December 2025

| Name          | Closing balance | Proportion to total closing balance of other receivables (%) | Nature                      | Ageing        | Closing balance of provision bad debt |
|---------------|-----------------|--|-----------------------------|---------------|---------------------------------------|
| Chijin Laos   | 418,975,326.73  | 36.53  | Transactions among entities | Within 1 year | -                                     |
| Chijin HK     | 329,809,672.24  | 28.76  | Transactions among entities | Within 1 year | -                                     |
| LXML          | 80,128,320.00   | 6.99   | Transactions among entities | Within 1 year | -                                     |
| Jilong Mining | 70,000,000.00   | 6.10   | Transactions among entities | Within 1 year | -                                     |
| Jintai Mining | 60,005,000.00   | 5.23   | Transactions among entities | Within 1 year | -                                     |
| Total         | 958,918,318.97  | 83.61 /  | /                           | /             | /                                     |

### 2. Long-term equity investments

#### 2025

| Item                        | 31 December 2025 |                      |                  |
|-----------------------------|------------------|----------------------|------------------|
|                             | Carrying amount  | Impairment provision | Net book value   |
| Investments in subsidiaries | 6,390,145,909.23 | -                    | 6,390,145,909.23 |
| Investments in associates   | 1,243,930.21     | -                    | 1,243,930.21     |
| Total                       | 6,391,389,839.44 | -                    | 6,391,389,839.44 |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 2. Long-term equity investments (Continued)

#### (1) Investments in subsidiaries

2025

| Investee             | Opening balance  | Additions | Reductions | Closing balance  | Impairment provision for the current year | Closing balance of impairment provision |
|----------------------|------------------|-----------|------------|------------------|---|---|
| Jilong Mining        | 1,694,207,878.30 | -         | -          | 1,694,207,878.30 | -   | -                                       |
| Guangyuan Technology | 100,000,000.00   | -         | -          | 100,000,000.00   | -   | -                                       |
| Chijin Laos          | 1,909,708,750.00 | -         | -          | 1,909,708,750.00 | -   | -                                       |
| Hanfeng Mining       | 531,714,480.93   | -         | -          | 531,714,480.93   | -   | -                                       |
| Chijin Fengyu        | 49,380,000.00    | -         | -          | 49,380,000.00    | -   | -                                       |
| Chijin HK            | 1,839,934,800.00 | -         | -          | 1,839,934,800.00 | -   | -                                       |
| Xinhenghe Mining     | 61,200,000.00    | -         | -          | 61,200,000.00    | -   | -                                       |
| Chijin xiawu         | 204,000,000.00   | -         | -          | 204,000,000.00   | -   | -                                       |
| Total                | 6,390,145,909.23 | -         | -          | 6,390,145,909.23 | -   | -                                       |

#### (2) Investments in associates

2025

| Investee          | Opening balance | Movements during the year |   | Closing balance | Closing balance of impairment provision |
|-------------------|-----------------|---------------------------|---|-----------------|---|
|                   |                 | Additions                 | Investment income/ (losses) under the equity method |                 |   |
| <b>Associates</b> |                 |                           |   |                 |   |
| Fengyu New Energy | 1,396,221.49    | -                         | (183,523.29)  | 1,212,698.20    | -                                       |
| Guohong Gold      | 21,949.83       | -                         | 9,282.18  | 31,232.01       | -                                       |
| Total             | 1,418,171.32    | -                         | (174,241.11)  | 1,243,930.21    | -                                       |

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 3. Operating income and operating costs

| Item             | 2025             |                 | 2024             |                 |
|------------------|------------------|-----------------|------------------|-----------------|
|                  | Operating income | Operating costs | Operating income | Operating costs |
| Other businesses | 81,441,505.00    | –               | 65,830,976.43    | –               |
| Total            | 81,441,505.00    | –               | 65,830,976.43    | –               |

### 4. Investment income

| Item   | 2025         | 2024           |
|--|--------------|----------------|
| Investment income from long-term equity investments under the cost method                            | –            | 660,000,000.00 |
| Investment losses from long-term equity investments under the equity method                          | (174,241.11) | (126,685.51)   |
| Investment income received from disposal of financial assets and liabilities held for trading (Note) | 4,244,736.83 | 62,938.52      |
| Investment losses from disposal of long-term equity investments                                      | –            | (599,170.50)   |
| Total  | 4,070,495.72 | 659,337,082.51 |

Note: Details of investment income from the disposal of financial assets and liabilities held for trading are as follows:

| Item   | 2025         | 2024      |
|--|--------------|-----------|
| Investment income from foreign currency exchange instruments | 2,993,101.85 | –         |
| Investment income from wealth management products            | 1,251,634.98 | 62,938.52 |
| Total  | 4,244,736.83 | 62,938.52 |

## SUPPLEMENTARY INFORMATION

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### 1. Summary of non-recurring gains or losses

#### 2025

| Item  | Amount          | Description   |
|---|-----------------|---|
| Gains or losses from disposal of non-current assets, including the write-off of the provision for impairment of assets  | 452,946.45      |   |
| Government grants included in the current profit or loss, except those that are closely related to the Group's normal business operations, which comply with national policies and can be obtained based on established standards, and which have a continuing impact on the Group's profit or loss | 3,163,888.54    |   |
| Gains or losses from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses from the disposal of financial assets and financial liabilities except effective hedging related to the Group's normal business operations          | 42,669,606.18   |   |
| Losses of assets arising from force majeure, such as natural disasters  | (22,575,406.04) | Damage to the work-in-progress products of Chixia Mining, an overseas subsidiary of the Group, caused by the typhoon in Laos. |
| Reversal of impairment provision for receivables which was individually tested for impairment   | 310,254.28      |   |
| Non-operating income and expenses other than those mentioned items  | (14,668,999.14) |   |
| Other gains or losses items within the definition of non-recurring gains or losses  | 487,138.80      |   |
| Subtotal  | 9,839,429.07    |   |
| Less: Effect of income tax  | 11,866.03       |   |
| Impact on the non-controlling interests (after tax)   | (14,267,744.22) |   |
| Total   | 24,095,307.26   |   |

# SUPPLEMENTARY INFORMATION

For the year ended 31 December 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## 1. Summary of non-recurring gains or losses (Continued)

*Note:* The non-recurring gains or losses of the Group was recognised under the Explanatory Announcement No.1 on Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities – Nonrecurring Profit or Loss (CSRC Announcement 2023 No. 65). The gold leasing transactions of the Group are directly related to the normal business operations and are conducted frequently, of which the underlying assets are the mineral products or similar metal products of the Group. Gold leasing transactions are frequent and the Group has continued and will continue to engage in such transactions in the foreseeable future. For the abovementioned reasons, the gains or losses on gold leasing transactions is not classified as non-recurring gains or losses.

## 2. Return on net assets and earnings per share

| Net profit during the Reporting Period   | Weighted<br>average return<br>on net assets<br>(%) | Earnings per share |         |
|--|--|--------------------|---------|
|  |  | Basic              | Diluted |
| Net profit attributable to the ordinary<br>shareholders of the parent  | 27.14  | 1.69               | 1.69    |
| Net profit after non-recurring gains or losses<br>attributable to the ordinary shareholders<br>of the parent | 26.93  | 1.68               | 1.68    |

# GLOSSARY

|                                  |  |
|----------------------------------|--|
| “2024AGM”                        | the 2024 annual general meeting of the Company held on 12 June 2015  |
| “2025 AGM”                       | the 2025 annual general meeting or the adjournment thereof to be convened and held by the Company  |
| “2025 Profit Distribution Plan”  | the profit distribution plan of paying cash dividend of RMB3.20 (tax inclusive) per 10 Shares as the final dividend for the year ended 31 December 2025 to the Shareholders as proposed by the Board, which is subject to consideration and approval at the 2025 AGM.  |
| “A Share(s)”                     | domestic ordinary share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are traded in Renminbi and listed on the Shanghai Stock Exchange  |
| “AISC”                           | all-in sustaining costs, a metric which means cost of sales excluding amortisation and depreciation, plus all costs not included therein relating to sustaining current production including sustaining capital expenditure. It generally comprises of cash costs (including by-product credits), sustaining capital, exploration expenses and general and administrative expenses |
| “Articles of Association”        | the articles of association of the Company   |
| “AUD”                            | Australian dollars, the lawful currency of Australia   |
| “Audit Committee”                | the audit committee of the Board   |
| “Au”                             | the chemical symbol for gold   |
| “AuEq”                           | gold equivalent; including gold and other saleable elements converted into gold equivalent   |
| “AusIMM”                         | the Australasian Institute of Mining and Metallurgy  |
| “Board” or “Board of Directors”  | the board of Directors   |
| “CASBE”                          | Basic Standards and the Specific Standards of the China Accounting Standards for Business Enterprises  |
| “Cedi”, “GHS” or “Ghanaian Cedi” | the lawful currency of Ghana   |

## GLOSSARY

|   |   |
|---|---|
| “Chifeng Gold”, “Company” or “Listed Company” | Chifeng Jilong Gold Mining Co., Ltd. (赤峰吉隆黃金礦業股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability on 22 June 1998, the A Shares and H Shares of which are listed on the Shanghai Stock Exchange (stock code: 600988) and the Main Board of the Hong Kong Stock Exchange (stock code: 6693) |
| “Chijin Fengyu”                               | Shanghai Chijin Fengyu Industrial Co., Ltd. (上海赤金豐余實業有限公司), a direct wholly owned subsidiary of the Company   |
| “Chijin HK”                                   | Chijin International (HK) Limited (赤金國際(香港)有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of the Company  |
| “Chijin Laos”                                 | Chijin Laos Holdings Limited, a company incorporated in the Cayman Islands with limited liability and a direct wholly owned subsidiary of the Company   |
| “Chijin Xiawu”                                | Xiamen Chijin Xiawu Metal Resources Limited (廈門赤金廈鎢金屬資源有限公司), previously known as Shanghai Chijin Xiawu Metal Resources Limited (上海赤金廈鎢金屬資源有限公司), a private limited liability company established under the PRC laws and a direct non-wholly owned subsidiary of our Company  |
| “Chixia Laos”                                 | CHIXIA Laos Holdings Limited (赤廈老撾控股有限公司), a company registered in the Cayman Islands with limited liability and wholly owned by Chijin Xiawu   |
| “Chixia Mining”                               | Chixia Mining (Laos) Co., Ltd (赤廈礦業老撾有限公司), a company registered in Laos, a subsidiary of Chixia Laos with 90% of shares owned by Chixia Laos   |
| “CIRE Mining”                                 | China Investment Rare Earth Mining Co., Ltd, a company registered in Laos with limited liability, a subsidiary of China Investment Mining (Laos) Co., Ltd., and the operator of the trial mining area of the Mengkham Rare Earth Element Project  |
| “CIREX Mining”                                | China Investment Rare Earth Mining Xiangkhouang Co. Ltd, a company registered in Laos with limited liability and a subsidiary of China Investment Mining (Laos) Co., Ltd., and the operator of the exploration area of the Mengkham Rare Earth Element Project  |
| “Corporate Governance Code”                   | the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules   |

# GLOSSARY

|                                      |   |
|--------------------------------------|---|
| “CSRC”                               | the China Securities Regulatory Commission (中國證券監督管理委員會)  |
| “Cu”                                 | the chemical symbol for copper  |
| “Director(s)”                        | director(s) of the Company  |
| “ESOP”                               | Employee Stock Ownership Plan   |
| “ESG”                                | environmental, social and governance  |
| “Ghana”                              | the Republic of Ghana   |
| “Global Offering”                    | the offer of the H Shares for subscription by the public in Hong Kong and outside the United States in offshore transactions, details of which are set out in the Prospectus                                  |
| “Golden Star Resources” or “GSR”     | Golden Star Resources Ltd., a company registered in Canada and an indirect non-wholly owned subsidiary of the Company   |
| “grade”                              | ratio of the content of a useful element or its compounds in an ore, for which the greater the content, the higher the grade. For gold, grade is commonly expressed in grams per tonne of milled ore (g/t Au) |
| “Group”                              | the Company and its subsidiaries  |
| “GSWL”                               | Golden Star (Wassa) Ltd, a company registered in Ghana and an indirect non-wholly owned subsidiary of GSR   |
| “g/t”                                | gram(s) per metric tonne – metal concentration  |
| “Guangyuan Environmental Protection” | Hefei Guangyuan Environmental Protection Technology Co., Ltd. (合肥廣源環保技術有限公司), a wholly owned subsidiary of Guangyuan Technology   |
| “Guangyuan Technology”               | Anhui Guangyuan Technology Development Co., Ltd. (安徽廣源科技發展有限公司), a limited liability company established under the PRC laws and a direct non-wholly subsidiary of the Company                                 |
| “H Share(s)”                         | overseas listed foreign ordinary shares in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange  |

## GLOSSARY

|  |  |
|--|--|
| “Hanfeng Mining”                               | Jilin Hanfeng Mining Technology Co., Ltd. (吉林瀚豐礦業科技有限公司), a direct wholly owned subsidiary of the Company  |
| “HKD” or “HK\$”                                | Hong Kong dollars, being the lawful currency of Hong Kong  |
| “Hong Kong”                                    | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Hong Kong Stock Exchange” or “Stock Exchange” | The Stock Exchange of Hong Kong Limited  |
| “Hong Kong Listing Rules” or “Listing Rules”   | the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange  |
| “Huatai Mining”                                | Chifeng Huatai Mining Co., Ltd. (赤峰華泰礦業有限責任公司), which is registered in the PRC and is a wholly owned subsidiary of Jilong Mining   |
| “Independent director(s)”                      | Independent non-executive director(s)  |
| “Indicated Mineral Resources”                  | that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit   |
| “Inferred Mineral Resources”                   | that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes |
| “Jilong Mining”                                | Chifeng Jilong Mining Co. Ltd. (赤峰吉隆礦業有限責任公司), a private limited liability company established under the PRC laws and a direct wholly owned subsidiary of the Company  |
| “Jintai Mining”                                | Eryuan Jintai Mining Development Co., Ltd. (洱源錦泰礦業開發有限責任公司), a limited liability company established under the PRC laws and a direct non-wholly owned subsidiary of Xinhenghe Mining   |

## GLOSSARY

|                                       |   |
|---------------------------------------|---|
| “JORC”                                | the Joint Ore Reserves Committee formed by the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia   |
| “LAK” or “Laotian Kip”                | the lawful currency of Laos   |
| “Laos”                                | the Lao People’s Democratic Republic  |
| “LXML”                                | Lane Xang Minerals Limited Company, a company registered in Laos, an indirect non-wholly owned subsidiary of the Company and is the operator of the Sepon Gold and Copper Mine  |
| “Mengkham Rare Earth Element Project” | a rare earth mine project operated by Chixia Mining via its two direct non-wholly owned subsidiaries CIRE Mining and CIREX Mining   |
| “Mineral Reserves”                    | the economically mineable part derived from a Measured and/or Indicated Mineral Resource, including diluting materials and allowances for losses which might occur when the material is mined or extracted and is defined by studies at the appropriate pre-feasibility or feasibility level with application of Modifying Factors and providing reasonable justification for extraction  |
| “Mineral Resources”                   | a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories |
| “Model Code”                          | Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules   |
| “Mt”                                  | million tonnes  |
| “Moz”                                 | million ounces  |

## GLOSSARY

|  |  |
|--|--|
| “oz”                                   | ounce(s)   |
| “pp”                                   | percentage points  |
| “PRC”                                  | the People’s Republic of China, and solely for the purpose of this annual report, excluding Taiwan, the Macao Special Administrative Region of the PRC and Hong Kong |
| “Prospectus”                           | the prospectus of the Company in connection with the Global Offering dated 28 February 2025  |
| “Reporting Period”, “Year” or “Period” | year ended 31 December 2025  |
| “RMB”, “CNY” or “Renminbi”             | Renminbi, the lawful currency of the PRC   |
| “Sepon Gold and Copper Mine”           | a gold and copper mine in Laos operated and managed by LXML, a subsidiary of our Company, which has rare earth minerals potential                                    |
| “Share(s)”                             | ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising our A Shares and our H Shares                                |
| “Shareholder(s)”                       | holder(s) of the Share(s)  |
| “SND Project”                          | the Sepon new discovery gold and copper mine exploration project in Laos operated and managed by LXML, a subsidiary of our Company                                   |
| “Supervisor(s)”                        | supervisor(s) of the Company   |
| “Supervisory Committee”                | the supervisory committee of the Company   |
| “t”                                    | tonnes   |
| “US\$” or “USD” or “U.S. dollars”      | United States dollars, the lawful currency of the United States of America   |
| “Wassa Gold Mine”                      | gold mine in Ghana operated by GSWL  |

## GLOSSARY

|                    |  |
|--------------------|--|
| “Wulong Mining”    | Liaoning Wulong Gold Mining Co., Ltd. (遼寧五龍黃金礦業有限責任公司), a limited liability company established under the PRC laws and a direct wholly owned subsidiary of Jilong Mining   |
| “Xinhenghe Mining” | Kunming Xinhenghe Mining Co., Ltd. (昆明新恒河礦業有限公司), a private limited liability company established under the PRC laws and is a direct non-wholly owned subsidiary of the Company  |
| “Zhejiang Hanfeng” | Zhejiang Hanfeng Venture Capital Partnership (Limited Partnership)* (浙江瀚豐創業投資合夥企業(有限合夥)) (previously known as Yantai Hanfeng Zhongxing Management Consultancy Center (Limited Partnership)* (煙台瀚豐中興管理諮詢中心(有限合夥))), a limited liability partnership established under the PRC laws, the sole limited partner of which is Ms. Li Jinyang, accounting for approximately 99.00% of its committed capital contribution, and the sole general partner of which is Wu Zengxiang (武增祥), accounting for approximately 1.00% of its committed capital contribution |
| “%”                | percent  |

\* For identification purpose only



赤峰吉隆黃金礦業股份有限公司  
CHIFENG JILONG GOLD MINING CO., LTD.

