中國白銀集團
CHINA SILVER GROUP

中國白銀集團有限公司
China Silver Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code：815

ANNUAL REPORT 2025

Leading Fully-Integrated Silver, Gold,
Palladium and Precious Metals Enterprise in China

CONTENTS

CORPORATE INFORMATION

Executive directors

Chen Wantian (陳萬天)
Song Guosheng (宋國生)

Independent non-executive directors

Song Hongbing (宋鴻兵)
Song Fangxiu (宋芳秀)
Zeng Yilong (曾一龍)

Audit committee

Zeng Yilong (Chairman)
Song Fangxiu
Song Hongbing

Remuneration committee

Song Fangxiu (Chairlady)
Chen Wantian
Song Hongbing

Nomination committee

Chen Wantian (Chairman)
Song Fangxiu
Song Hongbing

Company secretary

Chan Hon To (陳瀚濤), HKICPA FCCA

Authorised representatives

Chen Wantian
Chan Hon To

Cayman Islands share registrar and transfer office

Intertrust Corporate Services (Cayman) Limited
One Nexus Way
Camana Bay
Grand Cayman, KY1-9005
Cayman Islands

Hong Kong share registrar

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

Registered office

Intertrust Corporate Services (Cayman) Limited
One Nexus Way
Camana Bay
Grand Cayman, KY1-9005
Cayman Islands

Headquarters in the PRC

37th Floor, Tower A
Shuibei Jewelry Headquarters Building
No. 3008 Buxin Road, Dushu Community
Dongxiao Subdistrict, Luohu District
Shenzhen, Guangdong, the PRC

Principal place of business in Hong Kong

Unit 5, 17/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan, Hong Kong

Company's website

www.chinasilver.hk

Place of listing and stock code

The Stock Exchange of Hong Kong Limited
815

Principal bankers

Bank of Ganzhou

Auditor

Linksfield CPA Limited
Registered Public Interest Entity Auditors
(Appointed on 19 January 2023)

Moore Stephens CPA Limited
Registered Public Interest Entity Auditors
(Resigned on 19 January 2023)

Legal advisors

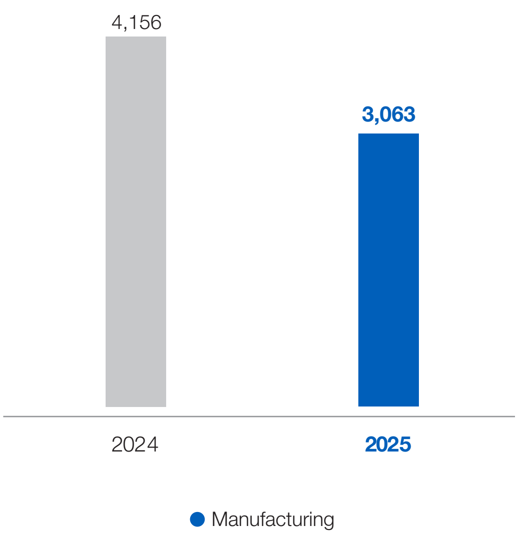
Hong Kong law:

Sullivan & Cromwell (Hong Kong) LLP

FINANCIAL HIGHLIGHTS

Revenue from continuing operation

(RMB million)

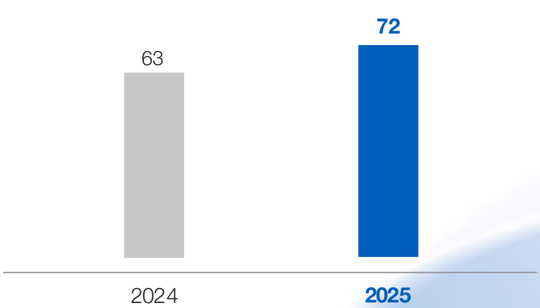


Profit attributable to owners of the Company from continuing operation

(RMB million)

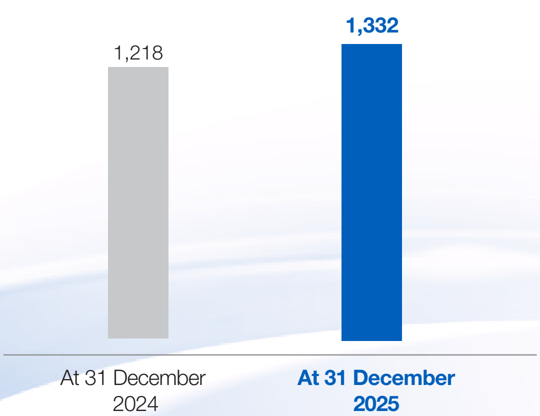
Gross profit

(RMB million)



Net Assets

(RMB million)



OUR MILESTONES

DEC 2025
Deemed disposal of Everest Gold Group and the New Jewellery Retail segment operated thereunder

JUL 2025
Invested in Jiangxi Yiding Trading Co., Ltd.*（江西藝鼎貿易有限公司）to further expand our business operations in exploration on mineral resources in Tibet, PRC

JAN 2025
Disposal of Fresh Food Retail segment (as operated under Everest Gold Group)

AUG 2024
Invested in Jiangxi Letong New Materials Company Limited*（江西樂通新材料有限公司）to expand our business operations in exploration on mineral resources in Tibet, PRC

2023
Disposed of Silver Exchange Business

2021
Invested in Jiangsu Nongmuren Electronic Business Corp*（江蘇農牧人電子商務股份有限公司）to expand our business operations to the "Nongmuren"（「農牧人」）S2B2C (supply chain to business to customer) platform of agricultural products in the PRC

2019
Fully transformed into a leading fully integrated silver, gold, palladium and precious metals enterprise in the People's Republic of China ("**PRC**")

MAR 2018
Spin-off listing of Mount Everest Gold Group Company Limited (formerly known as CSMall Group Limited) (Stock code: 1815) ("**Everest Gold Group**")

2016
Acquired Silver Exchange Business

2014
Developed New Jewellery Retail Business

2012
Listing in Hong Kong

2002
Silver Manufacturing

SELECTED BRANDS AND PRODUCTS

CHAIRMAN'S STATEMENT

On behalf of China Silver Group Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**we**"), I am pleased to present the annual results of the Group for the financial year ended 31 December 2025 (or the "**current year**", "**this year**" or "**during the year**") together with the comparative figures for the year ended 31 December 2024 (or the "**last year**" or "**prior year**").

BUSINESS REVIEW

During the year ended 31 December 2025, the Group recorded revenue of approximately RMB3,063.3 million (2024: RMB4,156.1 million), representing a decrease of approximately 26.3% from that of 2024. This decline was primarily attributable to the overall reduction in demand for silver ingots, driven by a weaker economic environment, reduction in demand across various silver applications amid significantly elevated silver prices throughout this year and intensified efforts by end-users to optimize consumption or pursue alternatives in response to cost pressures.

The profit attributable to the owners of the Company amounted to approximately RMB586.3 million for the year ended 31 December 2025 (2024: RMB10.0 million) representing an increase of approximately RMB576.3 million, or 5,783.3%. This increase was primarily attributable to the following factors:

(i) In respect of the Group's Manufacturing segment, although the sales volume and revenue for 2025 had reduced, the gross profit and net profit margin had increased due to the increase in silver price in 2025 compared to 2024, resulting in an increase in gross profit and net profit for this segment for 2025;

(ii) The New Jewellery Retail segment of the Group (operated by Everest Gold Group, a former non-wholly-owned subsidiary of the Company which has ceased to be a subsidiary on 31 December 2025) recorded a significant increase in the revenue from sales of gold and silver products in 2025. As most of the gold products sold by this segment in 2025 were inventories with relatively low procurement costs, coupled with the significant increase in gold prices in 2025, the gross profit margin of this segment increased substantially, leading to an increase in overall gross profit. Accordingly, the net profit of this segment for 2025 recorded a significant increase as compared with that for 2024;

(iii) The Company completed the deemed disposal of Everest Gold Group, and generated a gain of approximately RMB537.2 million for the Group; and

(iv) The Group completed the disposal of its Fresh Food Retail segment (originally operated by the Company's former non-wholly-owned subsidiary, Everest Gold Group), and generated a gain of approximately RMB11.5 million (upon distribution of relevant gain to non-controlling interests) for the Group.

The aforementioned factors were partially offset by the following factors:

(v) The Group recorded expenses of approximately RMB28.4 million (carried at the fair value of the granted share awards based on the closing price on the date of grant) in 2025 due to the grant of share awards by the Company to its employees; and

(vi) The Group recorded expenses of approximately RMB22.8 million (carried at the fair value of the granted share options and upon distribution of relevant expenses to non-controlling interests) in 2025 due to the grant of share options by Everest Gold Group to its employees.

During the year, the Group underwent several business realignment initiatives, details of which are set out below:

(i) As disclosed in the announcements jointly issued by the Company and Everest Gold Group dated 5 November 2024 and 15 January 2025, various factors unfavorable to the operation and development of the Jiangsu Nongmuren platform (i.e. the Fresh Food Retail segment) gradually emerged since the Group's investment in the Nongmuren Group in 2021. The Group entered into an equity transfer agreement to dispose of the Jiangsu Nongmuren platform and the disposal was completed on 13 January 2025;

(ii) As disclosed in the announcements dated 17 June 2025 and 26 June 2025, the Company's subsidiary and Everest Gold Group jointly entered into an equity transfer agreement to acquire 55% of Jiangxi Yiding Trading Co., Ltd.*（江西藝鼎貿易有限公司）("**Jiangxi Yiding**") which holds 100% equity interests in Xizang Shigatse Huaye Mining Development Co., Ltd.*（西藏日喀則市華冶礦業開發有限責任公司）("**Xizang Shigatse**"). A wholly-owned subsidiary of the Company and a wholly-owned subsidiary of the Company's former non-wholly-owned subsidiary, Everest Gold Group agreed to hold 20% and 35% equity interests in Jiangxi Yiding respectively. The acquisition was completed on 18 July 2025;

(iii) As disclosed in the announcement dated 31 December 2025, the Company completed the deemed disposal of Everest Gold Group on 31 December 2025. As a result of the transaction, Everest Gold Group ceased to be a subsidiary of the Company and became an associate of the Company. The Group ceased to consolidate Everest Gold Group and instead recognised its retained interest in Everest Gold Group as investments in associates at fair value. Following the deconsolidation, the Group continues to maintain exposure to gold products and mining through such retained interests in Everest Gold Group.

These business realignment initiatives were undertaken pursuant to the Company's strategic decision to focus resources on its core business of manufacturing silver ingots and other precious metals. While retaining meaningful exposure to gold-related activities through its associate interest, the restructuring enabled the Group to direct its resources and operational focus toward its principal activities in the manufacturing and refining of silver ingots and other precious metals as well as access to upstream mining resources through its direct and indirect equity interests in Xizang Shigatse. The deconsolidation of Everest Gold Group from the Group has streamlined the Group's corporate and management structure, reduced overlapping administrative functions, and facilitated more targeted operational oversight. These measures are expected to enhance operational efficiency, improve cost management, and support more effective allocation of capital and management attention to the core silver-related operations, thereby contributing to greater operational resilience and long-term value creation for shareholders.

During the year, the Group adopted following equity financing approaches to raise funds in order to meet the funding needs associated with its manufacturing and mining activities and reduce reliance on debt financing or internal cash reserves:

(i) As disclosed in the Company's announcements dated 20 January 2025 and 28 January 2025, the Company completed the capitalisation of two outstanding loans owed by Jiangxi Longtianyong Nonferrous Metals Co., Ltd.* (江西龍天勇有色金屬有限公司) ("**Jiangxi Longtianyong**"), an indirect wholly-owned subsidiary of the Company, to Shanghai Ougen Information Consulting Co., Ltd.* (上海甌亙商務信息諮詢有限公司) ("**Shanghai Ougen**") and Shanghai Qimao Trading Co., Ltd.* (上海啟貿貿易有限公司) ("**Shanghai Qimao**"), respectively, by allotting and issuing an aggregate of 388,044,853 ordinary shares of the Company at HK$0.252 per share under the general mandate to Journey Grace Limited and Medal Chains Internet Technology Group Limited (the "**2025 Loan Capitalisation**"). The 2025 Loan Capitalisation fully settled two outstanding loans of the Group, being approximately HK$97.8 million in aggregate principal and interest, thereby reducing the Group's indebtedness and strengthening its financial position.

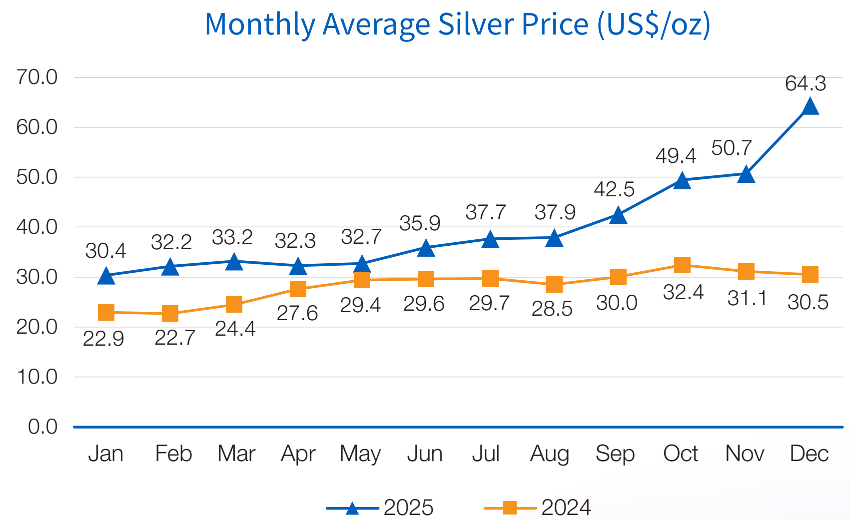
(ii) As disclosed in the Company's announcement dated 14 July 2025, the Company entered into eight subscription agreements with eight independent investors on 14 July 2025, pursuant to which the Company agreed to allot and issue, and the respective subscribers agreed to subscribe for, an aggregate of 460,000,000 ordinary shares at a subscription price of HK$0.45 per share under the general mandate (the "**2025 Subscription**"). As further disclosed in the Company's announcement dated 22 January 2026, the allotment and issue of all subscription shares have been completed on 22 January 2026. The 2025 Subscription raised gross proceeds of approximately HK$207.0 million, with net proceeds of approximately HK$206.5 million after deduction of all relevant expenses.

Manufacturing Segment

The Group's manufacturing segment focuses on the manufacturing of high-grade silver ingots for industrial and trading purposes and is one of the leading silver producers in the PRC. Meanwhile, the Group applies a proprietary production model to manufacture high quality silver ingots, palladium and the metal by-products derived therefrom.

For the year ended 31 December 2025, the Group's manufacturing segment generated external sales of approximately RMB3,063.3 million, representing a decrease of approximately 26.3% as compared to approximately RMB4,156.1 million for the year ended 31 December 2024. This decline was primarily attributable to an overall reduction in demand for silver ingots, driven by reduction in demand across various silver applications amid significantly elevated silver prices throughout this year and intensified efforts by end-users to optimize consumption or pursue alternatives in response to cost pressures. All revenue was generated from sales of silver ingots for 2025 and 2024. In contrast, segment profit rose by approximately 32.4%, from approximately RMB49.2 million in 2024 to approximately RMB65.1 million in 2025. This improvement was driven principally by the sustained rise in silver prices throughout this year, as illustrated by the graph below, which directly enhanced the segment's gross profit margin compared with the previous year through higher average selling prices. The enhanced margin reflects the segment's ability to benefit from these elevated prices, effectively offsetting the impact of lower sales volumes.

The graph below shows the change in international silver price quoted on the London Bullion Market Association from January 2024 to December 2025:

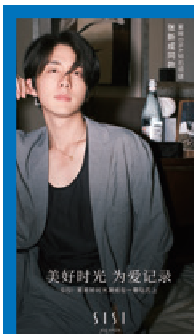


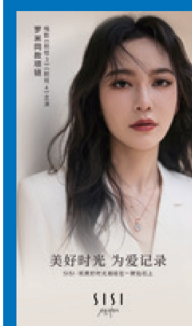
New Jewellery Retail Segment operated under Everest Gold Group (classified as discontinued operation)

In 2025, the strong upward trend in gold prices has not dampened buying enthusiasm, instead, it has reinforced investors' confidence in gold's role as a safe-haven asset and a store of value. As gold price hits new highs, investors are proactively adjusting their asset allocations, channeling funds into gold to diversify risks and seize growth opportunities, hoping to hedge against macro risks and benefit from the potential upward trend. Consequently, market demand for physical gold, especially investment products directly linked to gold prices with lower processing fees, has surged significantly.

Driven by the above, the New Jewellery Retail segment recorded sales of approximately RMB487.0 million for the year ended 31 December 2025, representing a significant increase of approximately 209.0% as compared to approximately RMB157.6 million in 2024. Along with the strong growth in revenue, the New Jewellery Retail segment recorded a significant improvement in profitability, reaching a segment profit of approximately RMB102.7 million for the year ended 31 December 2025 compared to approximately RMB9.9 million in 2024. The substantial increase in segment profit was primarily driven by the active sale of existing inventories, notably existing low-cost gold inventories. This positive impact was partially offset by share-based payment expenses of approximately RMB56.5 million incurred by Everest Gold Group during the year.

The Group reduced marketing expenses for the lab-grown diamond brand, SISI, as compared to past years. The lab-grown diamond industry in the PRC started relatively late; at this stage, the penetration rate of lab-grown diamonds in jewellery consumption in the PRC remains low. Currently, public opinions on the outlook of the lab-grown diamond market are still generally based on the logic of substituting natural diamonds, and the market requires a longer period of time to verify this trend. In recent years, the increase in Russia's diamond production capacity has been a major factor leading to the price decline of natural diamonds. Meanwhile, as lab-grown diamond manufacturers in the PRC continue to expand production capacity and upgrade production equipment, the current lab-grown diamond market is in a state of oversupply, resulting in price drops and extreme "internal competition" in respect of retail prices. When cost becomes a key competitive advantage, brands will be forced to further increase their investment. At present, the Group aims to maintain the profitability of its business and sufficient working capital amid macro challenges.





Online Sales Channels

Offline Retail and Service Network

- CSmall Shops
- Shenzhen Exhibition Hall

Product Design, Research and Development and Production

Online Sales Channels

In 2025, we partnered with third-party online platforms which included television and video shopping channels in the PRC to promote and sell our jewellery products. We also became a core supplier in the gold, silver and jewellery category for all top television channels, which enabled us to achieve satisfactory sales performance. With a daily coverage of over 100 million home viewers in the PRC, our brand awareness among a vast population of Chinese viewers of television and video shopping channels was enhanced substantially.

Short-video promotion and KOL promotion have become standard practices in our brand marketing, and their content has also become the core element of every aspect of our brand marketing, sales and operation.

Offline Retail and Service Network

(1) Shenzhen Exhibition Hall

We sell products at the Shenzhen Exhibition Hall in Shuibei, Shenzhen, which is generally regarded as home to the PRC's largest and leading jewellery trading and wholesale market. The Shenzhen Exhibition Hall serves as an interactive exhibition and sales platform primarily for our wholesale customers as well as franchisees.

(2) CSmall Shops

In 2025, in light of the Group's evolving business focus, the Group did not further expand its existing store network, and adjusted the layout of offline business outlets. As of 31 December 2025, the Group had two franchised CSmall Shops located in Xinjiang and Zhejiang provinces of the PRC.

Development of Exploration Business

Tibet has long been regarded as one of the regions with the richest resources in the PRC, and is particularly renowned for its abundant reserves of copper, gold and other non-ferrous metals. Its superior geological conditions and enormous undeveloped potential have attracted increasing interest from investors at home and abroad, making the region a strategic hub for China's future mineral resources development.

On 21 August 2024, Everest Gold Group (being the Group's former subsidiary) completed acquisition of 51% equity interest in Jiangxi Letong New Materials Co., Ltd.* (江西樂通新材料有限公司) ("**Jiangxi Letong**") which holds 100% equity interests in Tibet Longtianyong Mining Company Limited* (西藏龍天勇礦業有限公司) ("**Tibet Longtianyong**"). Tibet Longtianyong holds an exploration license with the right to conduct general exploration on mineral resources in an area of 28.88 km^2 in Lhoka, Tibet, China (the "**Lhoka Exploration Area**").

During the year, the Group was pleased to announce the results of the 2025 General Exploration Report and the Review Opinion, as disclosed in the Company's announcement dated 20 January 2025 and 28 March 2025. According to the General Exploration Report and the Review Opinion, Tibet Longtianyong discovered certain gold mineralized zones in Lhoka Exploration Area. Such gold ore bodies are estimated to have an inferred ore volume of approximately 2,100,000 tonnes and an inferred metal volume of approximately 5,800 kilograms of gold, with an average gold ore grade of approximately 2.77 grams/tonne. The deposit in this area has enormous potential. It is preliminarily anticipated that the Lhoka Exploration Area could reach a prospective metal volume of approximately 20 to 25 tonnes of gold, displaying potential for a large-scale gold mine.

As further exploration progressed, by the end of March 2025, the exploration phase of the mineral exploration right had been upgraded from "general exploration" to "detailed exploration". The area of exploration had also been changed to 22.8246 km^2 from 28.88 km^2. The Tibet Review Centre recently further approved the detailed exploration implementation plan (the "**Detailed Exploration Implementation Plan**") submitted by Tibet Longtianyong in relation to the polymetallic mine at Lhoka Exploration Area for its review. The approval of the Detailed Exploration Implementation Plan marks significant substantive progress in the Company's transformation into a gold resource enterprise with potential for large-scale gold mine development. According to the Detailed Exploration Implementation Plan, the gold-polymetallic deposit in the Gudui mining area is a typical gold-antimony deposit characterised by the coexistence of gold and antimony (Sb). As a key semiconductor material, antimony plays an irreplaceable role in the application of semiconductor technologies in cutting-edge fields such as infrared detection, high-efficiency storage, energy utilisation, and quantum computing. Driven by demand for semiconductor materials, antimony prices have remained in a high range over the long term, and revenue from associated antimony is expected to become an important profit growth driver for the project. This also indicates that the Group has taken initial steps to enter the field of core semiconductor materials, and may be positioned to benefit from the ongoing rapid development of technology industries such as semiconductors, new energy, high-efficiency storage, and quantum computing.

Tibet Longtianyong is currently operated under Everest Gold Group. Through the Group's retained interest in Everest Gold Group, the Group maintains indirect exposure to the mineral resources in the Lhoka Exploration Area, including potential gold mineralisation as indicated by subsequent exploration updates.

On 18 July 2025, the Group and Everest Gold Group jointly completed the acquisition of the 55% equity interest in Jiangxi Yiding which holds 100% equity interest in Xizang Shigatse. Xizang Shigatse is mainly engaged in the exploration of lead-zinc mines. Xizang Shigatse holds an exploration license which grants it the right to conduct general exploration on mineral resources within an area of 50.81 km^2 in Shigatse, Tibet, the PRC covered under the exploration license. This mining area is located in the core zone of the Gangdise metallogenic belt. The Gangdise metallogenic belt, situated in south-central Tibet, is a giant metal metallogenic belt formed by the collision of the Indian Plate and the Eurasian Plate on the southern edge of the Qinghai-Tibet Plateau. Geologically, the belt is characterized by intense magmatic activity and tectonic movement, which have led to the formation of abundant polymetallic deposits containing copper, gold, silver, molybdenum, etc. In particular, copper resources are the most prominent and the total copper resource reserves of the belt are comparable to those of the Andes Mountains in South America (the world's largest copper metallogenic belt, accounting for 40% of global copper reserves). The ore bodies are thick, shallowly buried, and of high grade, boasting superior open-pit mining conditions and the associated rich gold and silver resources. The comprehensive value far exceeds that of a single copper mine.

CHAIRMAN'S STATEMENT

Prospects

Global macroeconomic uncertainty is expected to persist. Ongoing geopolitical conflicts and divergent monetary policy directions among major economies may exacerbate market volatility. In this environment, the demand for gold, silver and other traditional safe-haven assets as well as for industrial applications is expected to continue to grow. In particular, the structural supply shortage in the silver market has provided a solid market foundation for the Group's core businesses.

During the year, the Group completed the adjustment by holding the New Jewellery Retail segment of Everest Gold Group through its associate interest, and successfully disposed of the Fresh Food Retail segment, thereby further focusing on its core silver manufacturing and related businesses. By holding Everest Gold Group as an associate, the Group maintained its focus and participation in the fields of gold, jewellery and exploration of mineral resources, achieving business structure optimization and improved efficiency in resource allocation.

During the year, the Group made phased progress through the strategic expansion of resource reserves. In particular, the layout of the Xizang Shigatse mine constituted a key component. In July 2025, the Group and Everest Gold Group jointly completed the acquisition of 55% equity interest in Jiangxi Yiding, which holds 100% equity interest in Xizang Shigatse, at the total consideration of RMB5.5 million (RMB3.5 million from Everest Gold Group and RMB2.0 million from the Group), representing a strategic move to enter the upstream resources sector at a low cost. Exploration work was previously placed on a temporary seasonal pause due to the climate conditions in the high-altitude areas of Xizang, including severe winter cold, road closures and limited access to the mine, and has resumed in April 2026 as conditions become more favorable. The Group will continue to carry out follow-up general surveys and exploration work, and closely monitor changes in geological data and the macro environment. As part of the Group's integration of the upstream supply chain, the project is expected to enhance the Group's ability to ensure stable raw material prices. The Group has also further advanced the exploration of the Xizang Shigatse mine through cooperation with outsourced suppliers, including Zijin Mining Group Southwest Geological Exploration Co., Ltd., a subsidiary of Zijin Mining Group Co., Ltd. (Hong Kong Stock Code: 2899) ("**Zijin Mining**"), as disclosed in the Company's announcement dated 29 December 2025, and a third party independent of the Group. This collaboration fully leverages Zijin Mining's professional strengths in geological exploration and technical services in high-altitude areas, accelerating the resource evaluation process of the Xizang Shigatse mine.

The Group will continue to proactively seek opportunities to expand its upstream business, with a view to enhancing its control over the supply chain. The acquisition of equity interest in Jiangxi Letong through Everest Gold Group, together with the holding of an interest in Jiangxi Yiding through direct investment and the retained interest in Everest Gold Group, has strengthened the Group's upstream mineral resources presence and created synergies with its existing silver manufacturing and trading businesses.

Looking ahead, the fundamentals of the silver market remain supportive, and the global supply shortage is expected to persist. Physical investment demand is likely to recover further amid rising macroeconomic uncertainty and a low effective interest rate environment; China's domestic economic stimulus policies and the development of the new energy industry will also provide positive support for domestic silver trading. The Company will continue to strengthen its risk management system, closely monitor macroeconomic policies and market dynamics, striving to achieve steady business development and value creation in a complex environment.

* The English name is for identification only.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Continuing operation

Revenue

The revenue of the Group was derived from the sales of silver ingots. For the year ended 31 December 2025, the Group recorded revenue of approximately RMB3,063.3 million (2024: RMB4,156.1 million), representing a decrease of approximately 26.3% from that of 2024. This decline was primarily attributable to the overall reduction in demand for silver ingots, driven by reduction in demand across various silver applications amid significantly elevated silver prices throughout this year and intensified efforts by end-users to optimize consumption or pursue alternatives in response to cost pressures.

	2025		2024	
	Revenue RMB'000	**% of revenue**	Revenue RMB'000 (restated)	% of revenue (restated)
Continuing operation				
Manufacturing segment				
Sales of silver ingots	**3,063,300**	**100%**	4,156,144	100%
Total	**3,063,300**	**100%**	4,156,144	100%

Cost of sales

Our cost of sales mainly comprised of cost of raw materials consumed, purchase cost of silver, direct labor and manufacturing overhead in the production process. The purchase cost of raw materials is determined by the content levels of silver at market prices at the time of purchase.

The cost of sales decreased by approximately RMB1,102.3 million, representing a decrease of approximately 26.9%, from approximately RMB4,093.5 million in 2024 to approximately RMB2,991.1 million in 2025, which was in line with the decline in revenue during the year.

Gross profit and gross profit margin

The Group recorded gross profit of approximately RMB72.2 million for the year ended 31 December 2025 (2024: RMB62.7 million), an increase of approximately 15.1% as compared to that of 2024. The overall gross profit margin of the Group increased to approximately 2.4% for this year (2024: 1.5%).

Despite the decline in sales, which resulted in a reduction in cost of sales, the Group benefited from the significant increase in silver prices throughout 2025, particularly during the fourth quarter. During the year, the Group successfully raised capital through financing activities and accumulated a certain level of silver inventory at relatively lower average costs before the sharp surge in silver prices in the fourth quarter.

By securing inventory ahead of this significant price escalation, the Group was able to realise enhanced gross margins on sales made from the pre-acquired inventory during the period of higher spot prices in the latter part of the year. This proactive inventory management strategy not only mitigated potential cost pressures associated with rising spot prices but also contributed positively to the improvement in gross profit margin, supporting overall gross margin stability and enhancement in a high-price environment.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately 26.4% from approximately RMB3.2 million for the year ended 31 December 2024 to approximately RMB2.3 million for the year ended 31 December 2025. The decrease was in line with the decrease in revenue.

Administrative expenses

Administrative expenses increased by approximately 143.5% from approximately RMB21.4 million for the year ended 31 December 2024 to approximately RMB52.0 million for the year ended 31 December 2025. The increase was primarily attributed to share-based payment expenses of approximately RMB28.4 million recognised under the share award scheme adopted by the Company on 18 June 2025 (the "**Share Award Scheme**").

Other gains and losses

Other gains and losses turned around from a net loss of approximately RMB2.5 million for the year ended 31 December 2024 to a net gain of approximately RMB2.1 million for the year ended 31 December 2025. Other gains and losses for the year include the exchange gain of approximately RMB2.1 million (2024: exchange loss of approximately RMB2.2 million).

Other income

Other income increased to approximately RMB5.8 million for the year ended 31 December 2025 from approximately RMB2.9 million for the year ended 31 December 2024. Other income mainly represents the government grants and bank interest income.

Income tax

The income tax increased from income tax credit of approximately RMB2.1 million for the year ended 31 December 2024 to an expense of approximately RMB0.3 million for the year ended 31 December 2025. Such change was mainly due to the increase in provision of PRC enterprise income tax for the current year.

Profit attributable to owners of the Company

Overall, the profit attributable to the owners of the Company arising from continuing operation amounted to approximately RMB12.6 million for the year ended 31 December 2025 (2024: RMB18.7 million) representing a decrease of approximately RMB6.1 million, or 32.6%. The decrease was mainly driven by a combination effect of the decline in revenue for the year, increase in gross profit together with the recognition of share-based payment expenses.

Discontinued operations

After considering various factors unfavorable to the operation and development of the Jiangsu Nongmuren platform which gradually emerged, in order for the Group to focus its management's attention and its financial and manpower resources on the Group's core businesses of metals, the Group has decided to dispose of the Nongmuren Group. The disposal was completed on 13 January 2025. The Group recorded a gain on disposal amounted to approximately RMB11.5 million from the Fresh Food Retail segment for the year ended 31 December 2025.

The Company completed the deemed disposal of Everest Gold Group on 31 December 2025, as disclosed in the Company announcement dated 31 December 2025. Upon completion of the disposal, Everest Gold Group ceased to be a subsidiary and became an associate of the Company. Accordingly, the Group ceased to consolidate Everest Gold Group and instead recognised its retained interest in Everest Gold Group as investments in associates at fair value, resulting in a gain on disposal of approximately RMB537.2 million.

Inventories, trade receivables and trade payables turnover cycle

The Group's inventories mainly comprise silver bars. For the year ended 31 December 2025, inventory turnover days decreased to approximately 79.1 days (2024: 95.5 days). This improvement was primarily attributable to the exclusion of the discontinued New Jewellery Retail segment, which had a comparatively higher inventory turnover days.

The turnover days for trade payables for the year ended 31 December 2025 were approximately 1.6 days (2024: 3.1 days). This improvement was primarily attributable to the exclusion of the discontinued New Jewellery Retail segment, which had a comparatively higher trade payables turnover days.

Following the deconsolidation of Everest Gold Group, the Group no longer had trade receivables in the manufacturing segment during the year ended 31 December 2025. Accordingly, the trade receivables turnover days was not applicable for the current year. For the year ended 31 December 2024, the turnover days for trade receivables was approximately 4.7 days.

Bank and other borrowings

As of 31 December 2025, the Group's bank and other borrowings balance amounted to approximately RMB110.0 million, of which approximately RMB73.5 million was carried at fixed interest rate and approximately RMB36.5 million was carried at floating interest rate (2024: RMB400.9 million, of which approximately RMB281.0 million was carried at fixed interest rate and approximately RMB119.9 million was carried at floating interest rate). The amounts would be due for repayment within one year.

The Group's net gearing ratio was calculated on the basis of the bank and other borrowings less bank balances and cash as a percentage of total equity. As of 31 December 2025, the Group was in a net cash position with a net gearing ratio of approximately -9.2% (2024: -10.3%).

Capital expenditures

For the year ended 31 December 2025, the Group invested approximately RMB7.8 million in property, plant and equipment (2024: RMB1.2 million in property, plant and equipment).

Pledge of assets

As at 31 December 2025 and 31 December 2024, assets with the following carrying amounts were pledged to secure general banking facilities.

	2025 RMB'000	2024 RMB'000
– Property, plant and equipment	**46,665**	49,948
– Leasehold land (included in right-of-use assets)	**14,721**	15,155
– Pledged bank deposits	**239,500**	39,800
	300,886	104,903

Capital commitments

As at 31 December 2025 and 31 December 2024, the Group did not have any material capital commitments.

Contingent liabilities

As at 31 December 2025, Jiangxi Longtianyong Nonferrous Metals Co., Ltd* (江西龍天勇有色金屬有限公司), a wholly-owned subsidiary of the Group, provided a corporate guarantee of approximately RMB80.0 million (2024: RMB143.0 million) to Jiangxi Jiyin Company Limited* (江西吉銀實業有限公司) ("**Jiangxi Jiyin**"), a wholly-owned subsidiary of Everest Gold Group in support of a bank borrowing.

Employees

As of 31 December 2025, the Group employed 57 staff members (2024: 56 staff members) and the total remuneration for the year ended 31 December 2025 amounted to approximately RMB6.9 million (2024: RMB9.6 million) for continuing operation. The Group's remuneration packages are in line with the current laws in the relevant jurisdictions, the experience and qualifications of individual employees and the general market conditions. Bonuses are linked to the Group's financial results as well as to individual performances. The Group ensures that adequate training and professional development opportunities are provided to all employees so as to satisfy their career development needs.

In addition, the Company has adopted the Share Award Scheme pursuant to the shareholders' approval obtained at the annual general meeting held on 18 June 2025 , as disclosed in the Company's announcement dated 18 June 2025, with the primary purpose of providing incentives to eligible employees. As further disclosed in the Company's announcement dated 30 September 2025, the Company has granted an aggregate of 234,212,000 shares under the Share Award Scheme to 11 grantees (the "**Grantees**"), all of whom are employees of the Company and have accepted the awarded shares, representing approximately 10.00% of the total number of shares of the Company in issue as at the adoption date of the Share Award Scheme. All awarded shares to the Grantees will vest on the first anniversary of the date of grant.

Liquidity and financial resources

The Group maintained a healthy liquidity position during the year. The Group was principally financed by internal resources, bank and other borrowings and proceeds from the 2025 Subscription. The Group's principal financial instruments comprise bank balances and cash, trade and other receivables, trade, bills and other payables as well as bank and other borrowings.

As of 31 December 2025, bank balances and cash, net current assets and total assets less current liabilities were approximately RMB232.3 million (2024: RMB526.3 million), RMB128.7 million (2024: RMB1,090.4 million) and RMB1,332.6 million (2024: RMB1,220.1 million), respectively. As of 31 December 2025, the Group had bank and other borrowings amounting to approximately RMB110.0 million (2024: RMB400.9 million).

Dividend

No final dividend for the year ended 31 December 2025 was proposed (2024: nil).

Significant investment held, material acquisition and disposal of subsidiaries, associates and joint ventures and plans for significant investment or acquisition of capital assets in the future

On 13 January 2025, Everest Gold Group completed the disposal of 51% equity interest of Shenzhen Xiansheng Zhanggui Technology Co., Ltd.* (深圳鮮生掌櫃科技有限公司), which controls the operation of Jiangsu Nongmuren Electronic Business Corp.* (江蘇農牧人電子商務股份有限公司) ("**Jiangsu Nongmuren**") and being one of the Group's operating segments (as operated under Everest Gold Group), namely the Fresh Food Retail segment. Further details of the disposal are set out in the Company's announcements published on 5 November 2024 and 15 January 2025.

On 17 June 2025, subsidiaries of the Company and Everest Gold Group jointly entered into an equity transfer agreement to acquire 55% of Jiangxi Yiding which holds 100% equity interests in Xizang Shigatse. A wholly-owned subsidiary of the Company and a wholly-owned subsidiary of Everest Gold Group (i.e. a non-wholly-owned subsidiary of the Company) agreed to hold 20% and 35% equity interest of Jiangxi Yiding respectively. The acquisition was completed on 18 July 2025. Further details of the transaction are set out in the Company's announcements published on 17 June 2025 and 26 June 2025.

On 31 December 2025, the Company completed the deemed disposal of Everest Gold Group. As a result of the transaction, Everest Gold Group ceased to be a subsidiary of the Company and became an associate of the Company. Further details of the deemed disposal are set out in the Company's announcements published on 19 November, 5 December, 23 December and 31 December 2025.

Following the deemed disposal of Everest Gold Group, the Group's investment in Jiangxi Yiding changed from a non-wholly-owned subsidiary to an associate, as the Group's equity interest in Jiangxi Yiding decreased from 55% to 20%.

Save as disclosed above, the Group did not hold any significant investment nor carry out any significant acquisition and disposal of subsidiaries, associates and joint ventures for the year ended 31 December 2025, nor was there any future plan for other significant investment or acquisition of capital assets as of 31 December 2025.

Fundraising Activities and Use of Proceeds

2025 Loan Capitalisation

Further to the disclosure in the section headed "Chairman's Statement" in this report, the subscription shares in respect of the 2025 Loan Capitalisation have an aggregate nominal value of approximately HK$3,880,448.53. The subscription price of HK$0.252 per ordinary share of the Company ("**Share**") represents a discount of approximately 11.58% to the closing price of HK$0.285 per Share as quoted on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 20 January 2025, being the date on which the terms of the 2025 Loan Capitalisation were fixed. The net issue price, after deduction of relevant expenses, was approximately HK$0.251 per Share. The subscribers, namely Journey Grace Limited and Medal Chains Internet Technology Group Limited, are independent third parties. Completion of the allotment and issue of the subscription shares took place on 28 January 2025.

The 2025 Loan Capitalisation was undertaken to settle the outstanding principal amount and interest accrued under two loans owed by Jiangxi Longtianyong, thereby reducing the Group's indebtedness and finance costs and improving its liquidity position. As the total consideration for the subscription shares was satisfied by way of capitalisation of the outstanding loan amounts on a dollar-to-dollar basis, accordingly, no cash proceeds were raised from the issue of the subscription shares under the 2025 Loan Capitalisation.

2025 Subscription

Further to the disclosure in the section headed "Chairman's Statement" in this report, the Company undertook the 2025 Subscription to raise additional capital to support the Group's business development, including the procurement of inventory materials for its manufacturing segment, funding capital expenditure for exploration and mining-related activities, and strengthening the Group's general working capital position. The subscription shares have an aggregate nominal value of HK$4,600,000. The subscription price of HK$0.45 per Share represents a discount of approximately 19.64% to the closing price of HK$0.56 per Share as quoted on the Stock Exchange on 14 July 2025, being the date on which the terms of the 2025 Subscription were fixed. The net subscription price, after deduction of all relevant expenses, was approximately HK$0.449 per Share. The subscribers comprise eight independent investors, including professional corporate and/or individual private investors.

As at 31 December 2025, the net proceeds received from the 2025 Subscription amounted to approximately HK$181.8 million after deducting all expenses payable by the Company in connection with the 2025 Subscription, as partial completions of the 2025 Subscription took place on 17 September, 7 November and 19 December 2025, as disclosed in the Company's announcements of the same dates. Such proceeds had been utilised as follows during the year in accordance with the intended use of proceeds:

	Net proceeds received from the 2025 Subscription as at 31 December 2025 HK$'000	Amount utilised during the year ended 31 December 2025 HK$'000	Unutilised amount as at 31 December 2025 HK$'000
Procurement of raw materials	109,086	(109,086)	–
Capital expenditure expected to be incurred from conducting general exploration and other exploration works on the Xizang Shigatse mine and other potential mining opportunities	36,362	–	36,362
General working capital	36,362	(4,724)	31,638
Total	181,810	(113,810)	68,000

Following the completion of the 2025 Subscription on 22 January 2026 as disclosed in the Company's announcement of the same date, the 2025 Subscription raised gross proceeds of approximately HK$207.0 million and net proceeds of approximately HK$206.5 million in aggregate. As disclosed in the Company's announcement dated 14 July 2025, the net proceeds are intended to be applied as to approximately 60% for the procurement of inventory materials for the manufacturing segment, approximately 20% for capital expenditure in relation to exploration and mining activities, including general exploration and related works, and approximately 20% for general working capital of the Group. The net proceeds have been applied and the unutilised net proceeds will continue to be applied in a manner consistent with the intended use of proceeds as disclosed and are expected to be fully utilised by the end of 2027.

Significant event after the reporting period

On 22 January 2026, all remaining subscriptions under the 2025 Subscription were completed, as disclosed in the Company's announcement of the same date.

As disclosed in the Company's announcement dated 16 February 2026 and the circular dated 26 March 2026, the Company entered into six subscription agreements with six independent investors (the "**Subscribers**") on 13 February 2026, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 910,000,000 Shares at a subscription price of HK$0.51 per Share under specific mandate, which is approved by the Company's shareholders at the extraordinary general meeting held on 10 April 2026 (the "**2026 Share Subscription**"). The subscription shares have an aggregate nominal value of HK$9,100,000. The subscription price of HK$0.51 per Share represents a discount of approximately 17.74% to the closing price of HK$0.62 per Share as quoted on the Stock Exchange on 13 February 2026, being the date on which the terms of the 2026 Share Subscription were fixed. The net subscription price, after deduction of all relevant expenses, is estimated to be approximately HK$0.509 per Share. The Subscribers comprise six independent professional corporate and/or individual private investors, whose further details are disclosed in the Company's circular dated 26 March 2026.

The 2026 Share Subscription is intended to raise additional capital to support the Group's business development, in particular to fund capital expenditure and financing requirements in relation to the exploration and development of the Shigatse Mine, and to strengthen the Group's general working capital position. Upon completion of the 2026 Share Subscription, the gross proceeds are expected to be approximately HK$464.1 million and the net proceeds, after deduction of all relevant expenses, are expected to be approximately HK$463.3 million. The net proceeds are intended to be applied as to approximately 40% for capital expenditure relating to general exploration and other exploration works on the Shigatse Mine, approximately 40% for providing financing to the project company of the Shigatse Mine to meet its funding requirements at later stages of exploration, and approximately 20% for general working capital of the Group. Further announcement will be made by the Company upon completion of the 2026 Share Subscription.

Save as disclosed above and in this report, there is no other material subsequent event after the reporting period.

Closure of register of members

The register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the right to attend and vote at the annual general meeting to be held on Thursday, 18 June 2026, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 12 June 2026 for registration of transfer.

* The English name is for identification only.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Chen Wantian (陳萬天), aged 52, is the chairman and an executive Director of the Company. He is a co-founder of the Group and was appointed to the Board on 19 July 2012. Mr. Chen Wantian has over ten years of experience in the non-ferrous metal mining and processing industry. Since May 2002, Mr. Chen Wantian has served as director and deputy general manager of Jiangxi Longtianyong Nonferrous Metals Co., Ltd.* (江西龍天勇有色金屬有限公司). He is responsible for the overall corporate strategies, management, planning and business development of the Group.

As at 31 December 2025, Mr. Chen Wantian had an interest in the shares of the Company and of Everest Gold Group, the details of which are set out in the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" in the Report of the Directors contained in this annual report.

Mr. Song Guosheng (宋國生), aged 63, is the vice president and an executive Director of the Company. Mr. Song Guosheng joined the Group in 2002 and was appointed to the Board on 16 August 2012. Mr. Song Guosheng has approximately 20 years of experience in the production management in the non-ferrous metallurgical industry. He is responsible for production management of the Group.

Mr. Song Guosheng graduated from Suzhou University of Science and Technology Trade Unions (蘇州職工科技大學) in July 2004 with a diploma of business management.

As at 31 December 2025, Mr. Song Guosheng had an interest in the shares of the Company, the details of which are set out in the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" in the Report of the Directors contained in this annual report.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Song Hongbing (宋鴻兵), aged 57, was appointed as an independent non-executive Director on 28 December 2015. Mr. Song Hongbing is a well-known Chinese economist with focus on the areas of global financial history and international commodity market. Mr. Song Hongbing was elected by BusinessWeek as one of the 40 most influential persons in China.

Mr. Song Hongbing graduated from Northeastern University in 1990 with a bachelor's degree in engineering. He obtained a master's degree in education from American University in 1996.

Dr. Zeng Yilong (曾一龍), aged 54, was appointed as an independent non-executive Director on 5 December 2012. Dr. Zeng Yilong has over 30 years of experience in accounting, auditing and financial management. Dr. Zeng Yilong currently serves as an executive director of Longtian (Shenzhen) Private Equity Fund Management Co., Ltd. (龍田(深圳)私募股權基金管理有限公司), a private equity investment fund management company in China.

Dr. Zeng Yilong obtained his master's degree in Business Administration and a doctoral degree in Business Administration (Accounting) from Xiamen University (廈門大學) in July 2000 and December 2006, respectively.

Ms. Song Fangxiu (宋芳秀), aged 49, is currently deputy secretary of the Party Committee of the School of Economics, professor and doctoral supervisor at the Department of Finance, Peking University; and director of the China Center for Financial and Investment Research, Peking University. Ms. Song Fangxiu has been teaching at the School of Economics, Peking University since 2003. She has served as lecturer, associate professor, Party Committee member of the School of Economics, deputy director of the Department of Finance and assistant to the dean of the School of Economics. From 2006 to 2007, she was a visiting scholar at the University of Minnesota in the United States. Ms. Song Fangxiu graduated from the Department of Finance of the School of Economics, Peking University with a doctoral degree in 2003.

Ms. Song Fangxiu has served as an independent non-executive director of China CITIC Bank Corporation Limited (a company listed on the Main Board of the Stock Exchange, stock code: 998; and the Main Board of the Shanghai Stock Exchange, stock code: 601998) since October 2023.

SENIOR MANAGEMENT

Mr. Chan Hon To (陳瀚濤), aged 49, was appointed as the chief financial officer of the Company on 17 June 2019. He is responsible for the overall financial management, tax, treasury, investor relations and corporate finance matters of the Group. He has over 20 years of experience in auditing, accounting, corporate finance, investor relations, funding raisings and company secretary. Prior to joining the Group, he held senior management positions as vice president-strategic investment, chief financial officer and group financial controller in several listed companies in Hong Kong. He has also gained extensive experience in auditing and initial public offering exercise during his service with Deloitte Touche Tohmatsu in Hong Kong and the United States of America from 2002 to 2009. He is a Fellow Member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

* *The English name is for identification only.*

CORPORATE GOVERNANCE REPORT

CODE OF CORPORATE GOVERNANCE PRACTICE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

– satisfactory and sustainable returns to the shareholders of the Company;

– that the interests of those who deal with the Company are safeguarded;

– that overall business risk is understood and managed appropriately;

– the delivery of high-quality products and services to the satisfaction of customers; and

– that high standards of ethics are maintained.

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and responsibility. As at the date of this report, the board of directors (the "**Board**", its member(s), the "**Director(s)**") comprises two executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). During the year ended 31 December 2025, the Company has complied with the code provisions under the CG Code, except for code provision C.2.1.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the resignation of Mr. Sung Kin Man, former chief executive officer of the Company, on 1 January 2019, Mr. Chen Wantian has served as both the chairman and the chief executive officer of the Company. The Board will continue to review the situation and consider splitting the roles of chairman and chief executive officer of the Company in due course after taking into account of the then overall circumstances of the Group.

CORPORATE CULTURE AND STRATEGY

The Company is committed to developing a positive corporate culture. The Company's corporate culture is defined by the Board including its core value to act lawfully and responsibly, and promote relationships between the Company and its stakeholders. Besides the Company's purposes, values and strategy are also defined by the Board which enable transparency, adapt to the fast-changing environment and minimizes corporate bureaucracy.

The Board from time to time monitors and evaluates the Company's culture and strategy, through reviewing whether the Company's decisions making are consistent with the Company's culture and strategy. The Board has made effort to foster staff and stakeholders engagements; reviewing staff turnover and training; financial reporting functions; effective and accessible whistleblowing framework; legal and regulatory compliance and staff safety, wellbeing and support.

The Company believes that its culture is critical to the successful execution of its strategies, and well aligned with such strategies.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES AND SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. Having made specific enquiry with all the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2025.

BOARD OF DIRECTORS

(i) Board Composition

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors and non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

As at the date of this report, the Board comprised two executive Directors and three independent non-executive Directors as follows:

Executive Directors

Mr. Chen Wantian (Chairman and Chief Executive Officer)
Mr. Song Guosheng

Independent Non-executive Directors

Mr. Song Hongbing
Ms. Song Fangxiu
Dr. Zeng Yilong

To the best knowledge of the Company, there is no financial, business or family relationship among the members of the Board and the chief executive.

The Executive Directors, with assistance from the senior management, form the core management team of the Company. The Executive Directors have the overall responsibility of formulating the business strategies and development plan of the Group and the senior management are responsible for supervising and executing the plans of the Company and its subsidiaries.

(ii) Board Functions and Duties

The principal functions and duties conferred to the Board include:

- convening general meetings and reporting the Board's work at general meetings;
- implementing resolutions passed by the shareholders of the Company in general meetings;
- deciding on business plans and investment plans;
- preparing annual financial budgets and final reports;
- formulating proposals for profit distributions, recovery of losses and for increases or reductions in the registered capital; and
- exercising other powers, functions and duties conferred by shareholders of the Company in general meetings.

(iii) Management Functions and Duties

The management is responsible for implementing the strategies and plans adopted by the Board. Executive Directors and management personnel meet regularly to review the performance of the business of the Group as a whole, co-ordinate overall resources and make financial and operational decisions.

The Board is also entrusted with the overall responsibility of developing, maintaining and reviewing sound and effective corporate governance within the Group, and is committed to ensuring that an effective corporate governance is put in place and continuously reviewing and improving the corporate governance practices within the Group.

(iv) Board Meetings

During the year ended 31 December 2025, there were seven board meetings held, at which the Directors approved, among other things, the annual results of the Group for the year ended 31 December 2024 and the interim results of the Group for the six months ended 30 June 2025.

Prior notices convening the board meeting were despatched to the Directors before the board meetings setting out the matters to be discussed. At the meetings, the Directors were provided with the relevant documents to be discussed and approved to enable the Directors to make informed decisions.

(v) Attendance Record

The following is the attendance record of the Directors at board meetings and the annual general meeting of the Company during the year ended 31 December 2025:

	Attendance at meetings	
	Board meetings	Annual general meeting
Executive Directors		
Mr. Chen Wantian (Chairman)	7/7	1/1
Mr. Song Guosheng	7/7	1/1
Independent Non-executive Directors		
Mr. Song Hongbing	7/7	1/1
Ms. Song Fangxiu	7/7	1/1
Dr. Zeng Yilong	7/7	1/1

(vi) Independent Non-executive Directors

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors as at the date of this report representing at least one-third of the Board. The Board considers that all independent non-executive Directors have appropriate and sufficient industry or finance experiences and qualifications to carry out their duties so as to protect the interests of the shareholders of the Company. Among the three independent non-executive Directors, one of them has appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Company has also received a written annual confirmation from each of the independent non-executive Directors in respect of their independence pursuant to Rule 3.13 of the Listing Rules. The Company, based on such confirmations, considers that all independent non-executive Directors are independent with reference to the guidelines stated in the Listing Rules.

(vii) Appointment and Re-election of Directors

Each of the executive Directors has entered into a service agreement with the Company for a term of three years, which is terminable by not less than three months' notice in writing served by either party on the other.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years, which is terminable by not less than three months' notice in writing served by either party on the other.

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

In accordance with the memorandum and articles of association of the Company (the "**Articles of Association**") and code provision B.2.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years, and any new Director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting of the Company after appointment and any new Director appointed as an addition to the Board shall submit himself/herself for re-election by shareholders at the next following annual general meeting of the Company after appointment.

The procedures and process of appointment, re-election and removal of directors are set out in the Articles of Association. The nomination committee of the Company (the "**Nomination Committee**") is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

(viii) Directors' Remuneration

The remuneration committee of the Company (the "**Remuneration Committee**") makes recommendations to the Board on the remuneration packages of the Directors and senior management personnel. It is the Company's policy that the remuneration package of each Director and senior management shall be determined by taking reference to, inter alia, their duties, responsibilities, experiences and qualifications.

(ix) Board Diversity

The Company has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of the Company's strategic objectives and sustainable development.

Pursuant to the Board Diversity Policy, the composition, structure and size of the Board are reviewed at least annually by the Nomination Committee to ensure that it has a balance of appropriate skills, experience and diversity of perspectives to meet the needs of the business of the Group. In relation to reviewing and assessing the Board composition, the Nomination Committee will consider a number of aspects, including but not limited to professional qualifications, regional and industry experience, cultural and educational background, skills, industry knowledge and reputation, gender, ethnicity, language skills and length of service. By adopting such criteria, it facilitates the Company to develop a pipeline of candidates to the Board to achieve gender diversity.

For the purpose of implementation of the Board Diversity Policy, the Board adopted the measurable objective that at least one member of the Board shall be female and the Company has achieved such objective during the year. The Company will review the gender diversity of the Board from time to time in accordance with the business development of the Group.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Members of the Board have a diverse range of business, financial and professional expertise. Brief biographical details of the Directors are set out in the section headed "Biographies of Directors and Senior Management" in this annual report.

(x) Director Nomination

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee.

The Company has adopted a director nomination policy (the "**Director Nomination Policy**") which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;

- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;

- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;

- Requirements of independent non-executive directors on the Board and independence of the proposed independent non-executive directors in accordance with the Listing Rules; and

- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness. The Nomination Committee will also review at least annually the structure, size and composition (including skills, knowledge and experience) of the Board and diversity of the Board to ensure that it has a balance of expertise, skills, experience and diversity of perspectives appropriate to complement the Company's corporate strategy.

(xi) Directors' Continuous Training and Development

Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Directors are committed to complying with the code provision C.1.4 under the CG Code on Directors' training. All Directors have participated in continuous professional development and provided a record of training they received for the year ended 31 December 2025 to the Company.

(xii) Board Independence Evaluation

The Company has established a board independence evaluation mechanism (the "**Board Independence Evaluation Mechanism**") on 29 March 2022 which sets out the processes and procedures to ensure a strong independent element on the Board.

The Board Independence Evaluation Mechanism covers the following aspects:

(a) Independent non-executive director's recruitment criteria

(b) Number of independent non-executive directors

(c) Assessing the independence of an independent non-executive director

(d) Assessment or evaluation of independent non-executive directors' time commitment and contribution

(e) Other channels where independent views are available

During the year ended 31 December 2025, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

(xiii) Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this report:

Unit: % (person)

	Female	Male
Board	20% (1)	80% (4)
Senior management	0% (0)	100% (1)
Other employees	30% (16)	70% (38)
Overall workforce	28% (17)	72% (43)

The Company is committed to promoting gender diversity not only within the Board and senior management but among its workforce generally. As at the date of this report, the number of female employees and director of the Group accounted for approximately 28% of the total workforce. The Board is of the view that the Group has made progress on achieving gender diversity across its workforce.

The Company is not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management and Board) more challenging or less relevant.

AUDIT COMMITTEE

The Board established an audit committee (the "**Audit Committee**") on 5 December 2012 with written terms of reference in compliance with the CG Code. Under Rule 3.21 of the Listing Rules, a majority of the members of the Audit Committee should be independent non-executive directors and the Audit Committee should be chaired by an independent non-executive director. The Audit Committee comprises all three independent non-executive Directors, namely, Dr. Zeng Yilong (Chairman), Mr. Song Hongbing and Ms. Song Fangxiu as at the date of this report. The terms of reference of the Audit Committee were revised and adopted on 30 December 2015 to include additional responsibility in relation to the risk management system arising from the Stock Exchange's proposal on the risk management and internal control under the Code applicable to all listed companies with accounting periods beginning on or after 1 January 2016. The primary responsibilities of the Audit Committee are to review and supervise financial reporting processes and risk management and internal control systems of the Group.

During the year ended 31 December 2025, the Audit Committee held 2 meetings. The members of Audit Committee reviewed and discussed with the external auditors of the Company the Group's audited consolidated financial statements for the year ended 31 December 2024 and unaudited condensed consolidated financial statements for the six months ended 30 June 2025. They were of the opinion that these statements had complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made. They also reviewed significant issues on the financial reporting, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditor and engagement of non-audit services and relevant scope of works, connected transactions and arrangements for employees to raise concerns about possible improprieties. Additional meeting may also be held by the Audit Committee from time to time to discuss special projects or other issues which it considers necessary. The external auditors of the Group may request a meeting of the Audit Committee to be convened if they consider that is necessary.

The main duties of the Audit Committee are as follows:

- To consider the appointment of the external auditors, the audit fee, and any question of resignation or dismissal.
- To discuss with the external auditors the nature and scope of the audit.
- To review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standard.
- To discuss with the management the systems of internal control and risk management and ensure that management has discharged its duty to have effective systems including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.
- To review the internal audit programme, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company.
- To review the Group's interim and annual financial statements before submission to the Board.
- To discuss problems and reservations arising from the interim and final audits and any matters that the external auditors may wish to discuss.
- To review the external auditors' management letter and the management's response.
- To review the Group's financial controls, and unless expressly addressed by a separate board risk committee, or by the Board itself, to review risk management and internal control systems.

- To consider the major findings of any internal investigations on risk management and internal control matters as delegated by the Board or its own initiative and the management's response to these findings.

- To consider other topics, as defined by the Board.

The following is the attendance record of the committee meetings held by the Audit Committee.

	Attendance at meetings
Dr. Zeng Yilong (Chairman)	2/2
Ms. Song Fangxiu	2/2
Mr. Song Hongbing	2/2

During the year ended 31 December 2025, the Audit Committee and senior management also met the external auditors for two times.

AUDITOR'S REMUNERATION

For the year ended 31 December 2025, the total fees paid/payable in respect of audit, and non-audit services to the external auditor of the Company, Linksfield CPA Limited, were set out below:

Service category	Fees paid/ payable RMB
Audit services	2,104,000
Non-audit services	
– Interim results review	461,200
– Others (including very substantial disposal, continuing connected transactions and announcements)	277,200

The Audit Committee is responsible for making recommendations to the Board as to the appointment, re-appointment and removal of the external auditor, which is subject to the approval by the Board and at general meetings of the Company by the shareholders.

DIRECTOR'S RESPONSIBILITY FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare accounts of the Group and other financial disclosures required under the Listing Rules and the management will provide information and explanation to the Board to enable it to make informed assessments of the financial and other decisions.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the external auditors of the Company about their reporting responsibilities on the consolidated financial statements is set out in the independent auditor's report on pages 59 to 63.

RISK MANAGEMENT AND INTERNAL CONTROL

In view of the implementation of the Consultation Conclusions on Risk Management and Internal Control relating to code provision D.2.1 of the CG Code issued by the Stock Exchange, the Board has already reviewed the effectiveness of its risk management framework and processes and internal control systems, and has implemented relevant measures resulting from this exercise that aim to enhance its framework and processes to comply with the requirements of the CG Code.

The Group established the Risk Management Taskforce ("**RMTF**") to assist the Board and the Audit Committee in overseeing the Group's risk management and internal control systems on an ongoing basis. The RMTF is responsible for leading and coordinating risk assessment activities including risk identification, risk assessment, actions taken to monitor and mitigate risks and risk reporting at least once a year. The risk inventory of the Group is developed and will be updated based on the results of the risk assessment. The risk assessment report is prepared based on the results of the risk assessment and the progress of risk management processes. The risk assessment report is submitted to the Audit Committee for review and approved by the Board.

The Board is ultimately responsible for determining and evaluating the risks it is willing to take in achieving its objectives, and ensuring it establishes and maintains effective risk management and internal control systems for the Group. The Group maintains risk management and internal control systems that are designed to provide reasonable but not absolute assurance against material misstatement or loss in the achievement of its objectives. The Board also has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems. The main features of these systems include a clear governance structure, defined roles and responsibilities, reporting procedures and clear risk management and internal control procedures, ascertaining its staff to achieve the Group's strategic objectives by implementing effective risk management and internal control systems and fulfilling the respective compliance requirements.

The Group also established an internal audit department (the "**Internal Audit Department**") to provide the Board and the management with useful information and recommendations on the adequacy and effectiveness of the risk management and internal control systems. The Internal Audit Department is authorised by the Board to have access to all records, people and physical properties relevant to the performance of internal audit. The head of Internal Audit Department has unrestricted access to the chairman of the Audit Committee and reports directly to the Audit Committee for direction and accountability. During the year, Internal Audit Department has performed independent review of the adequacy and the effectiveness of the design and implementation of the risk management and internal control systems and made appropriate recommendations for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

The management of the Group is committed to taking appropriate remedial actions promptly in respect of the internal control deficiencies and ensure the Group maintains an adequate and effective risk management and internal control systems.

The Board conducts an annual review on the effectiveness of risk management and internal control systems, covering but not limited to:

- Review the changes in the nature and extent of significant risks (including environmental, social and governance risks) since last year's review, and the Group's ability to respond to changes in its business and the external environment;

- Review the scope and quality of management's ongoing monitoring of risks (including environmental, social and governance risks) and of the internal control systems, and where applicable, the work of its internal audit function and other assurance providers;

- Review the extent and frequency of communication of monitoring results to the Board and the Audit Committee, and effectiveness of the risk management, financial reporting and Listing Rules compliance;

- Address any significant control failings or weakness that have been identified during the review and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition; and

- Review on the accounting, financial reporting and internal audit function, including the adequacy of resources, staff qualifications and experience, the quality of training programmes, and budget.

The risk management and internal controls 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.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**") and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

During the year ended 31 December 2025, the Audit Committee carried out a review of the implemented system and procedures, including areas covering financial, operational and legal compliance controls and risk management functions and discussed with the Internal Audit Department on the effectiveness and adequacy of the Company's system and procedures. The Board and the Audit Committee considered that the risk management and internal control systems of the Group were adequate and effective for the year ended 31 December 2025.

PRINCIPAL RISKS

The Company faces different principal risks and uncertainties set out below that may impose adverse impact to the Company's performance, operation and execution of its strategies. The Company is committed to mitigate and assess its risk management to ensure well risk management and governance.

Risk	Impact	Mitigations
Strategic Risk	Adverse impacts on the Company's business performance, development, operations and/or ability to deliver its strategic goals, caused by changes in environments of the business, economic, regulatory or political which the Company operates	The Company has proactively monitored the trends of industries, competitors and climate changes; and take respective strategic plans and timely resources allocation
Legal & Compliance Risk	The Company's business and operations may be affected by unexpected or uncertain application of a law or regulation which may incur penalties, operation costs	The Company has engaged legal advisers in different jurisdiction for providing legal advice and suggest any prompt actions on any regulatory updates
Third Party Risk	Business operations of the Company may be impacted by any actions or failures from third parties in delivering services to the Company	The Company established monitoring programme on the business agreements to enhance monitoring and control in alignment with international standards
Operational Risk	The risk of financial loss, reputational damage or inability to provide services and products to customers resulting from inadequate or failed processes	The Company proactively review the internal control on the operation and the impacts on the staff, process and technology

WHISTLEBLOWING POLICY

The Company has in place the Whistleblowing Policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

The Company has in place the Anti-Corruption and Anti-Bribery Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company and stakeholders to report any suspected corruption and bribery.

NOMINATION COMMITTEE

The Board established the Nomination Committee on 5 December 2012 with written terms of reference in compliance with the CG Code. The Nomination Committee comprises Mr. Chen Wantian (Chairman), Mr. Song Hongbing and Ms. Song Fangxiu, with the latter two being independent non-executive Directors.

The Nomination Committee considers and recommends to the Board suitably qualified persons to become Directors and is responsible for reviewing the structure, size and composition of the Board and the Board Diversity Policy and Director Nomination Policy at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategies.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Board Diversity Policy, including but not limited to professional qualifications, regional and industry experience, cultural and educational background, skills, industry knowledge and reputation, gender, ethnicity, language skills and length of service. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

Before a prospective Director's name is formally proposed, the opinions of the existing Directors (including the independent non-executive Directors) are sought. The selection criteria of the qualified candidates are mainly based on assessments of their qualifications, experiences and expertise as set out in the Director Nomination Policy as well as the requirements under the Listing Rules. The Nomination Committee selects and recommends candidates for directorship with regards to balancing skills and experiences appropriate to the Group's businesses.

During the year ended 31 December 2025, the Nomination Committee held 2 meetings. The members of Nomination Committee reviewed and discussed the current structure, size and composition of the Board and the independence of the independent non-executive Directors, the qualifications of the retiring Directors standing for election at the annual general meeting and reviewed the Board Diversity Policy and Director Nomination Policy. The Nomination Committee has recommended the Board to adopt a measurable objective as disclosed in the section headed "Board Diversity" in this Corporate Governance Report for implementing the Board Diversity Policy.

The following is the attendance record of the committee meetings held by the Nomination Committee.

	Attendance at meeting
Mr. Chen Wantian (Chairman)	2/2
Ms. Song Fangxiu	2/2
Mr. Song Hongbing	2/2

REMUNERATION COMMITTEE

The Board established the Remuneration Committee on 5 December 2012 with written terms of reference and revised terms of reference on 30 December 2022 in compliance with the CG Code. Under Rule 3.25 of the Listing Rules, a majority of the members of the remuneration committee should be independent non-executive directors and the remuneration committee should be chaired by an independent non-executive director. The Remuneration Committee comprises Ms. Song Fangxiu (Chairman), Mr. Chen Wantian and Mr. Song Hongbing in which Ms. Song Fangxiu and Mr. Song Hongbing are independent non-executive Directors.

The primary responsibilities of the Remuneration Committee are to make recommendations to the Board on the remuneration packages of the Directors and senior management personnel of the Group and to ensure that no Director or any of his associates is involved in deciding his own remuneration. The Remuneration Committee is also responsible for reviewing and/or approving matters relating to the share schemes under Chapter 17 of the Listing Rules.

During the year ended 31 December 2025, the Remuneration Committee held 2 meetings. The members of Remuneration Committee reviewed and made recommendations to the Board on the remuneration policies and the remuneration packages of the Directors and senior management of the Company. In addition, the Remuneration Committee also reviewed and approved the adoption of the Share Award Scheme as adopted by the Company on 18 June 2025 and the grant of share awards thereunder during the year ended 31 December 2025. Save as disclosed above, no other material matters relating to share schemes were reviewed and/or approved by the Remuneration Committee during the financial year.

The following is the attendance record of the committee meetings held by the Remuneration Committee.

	Attendance at meeting
Ms. Song Fangxiu (Chairlady)	**2/2**
Mr. Song Hongbing	**2/2**
Mr. Chen Wantian	**2/2**

EMOLUMENT POLICIES

The emolument policies of the Group are formulated on performance of individual employees and on the basis of salary trends in Hong Kong and the PRC, and will be reviewed regularly. Subject to the profitability of the Group, the Group may also distribute discretionary bonuses to its employees as incentives for their contributions to the Group.

Details of the remuneration of the senior management by band are set out below:

	2025 Number of individuals	2024 Number of individuals
Not exceeding HK$1,000,000	**1**	1

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the year ended 31 December 2025, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the Model Code and similar written guidelines for employees, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

MEETING WITH INDEPENDENT NON-EXECUTIVE DIRECTORS

During the year ended 31 December 2025, the Chairman of the Board held one meeting with the independent non-executive Directors without the presence of the other executive Directors to review and discuss, among other things, the independence of the independent non-executive Directors and confirmed that the independent non-executive Directors can express their views at the Board meetings without restrictions.

COMPANY SECRETARY

During the year ended 31 December 2025, Mr. Chan Hon To, the company secretary of the Company, undertook not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' COMMUNICATION POLICY

The Company has in place a Shareholders' Communication Policy. The policy aims to set out the principles of the Company with the objective of ensuring equal, timely, effective, transparent, accurate and open communications with the shareholders of the Company.

Information is communicated to the shareholders mainly through the Company's interim reports, annual reports, annual general meetings and other general meetings that may be convened, as well as by making available the disclosures submitted to the Stock Exchange for publication and corporate communications and other corporate publications on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.chinasilver.hk.

The Company has established the following channels for maintaining an on-going dialogue with its shareholders to communicate their views on various matters affecting the Company, as well as to solicit and understand the views of shareholders and stakeholders:

1. Methods for shareholders to send enquiries to the Company and the Company's share registrar regarding the Company and their shareholdings, respectively

2. Corporate communication (e.g. annual report, interim report, circular, proxy form, etc.)
   - interim and annual results are announced as early as possible, to keep shareholders informed of the Group's performances and operations

3. Corporate website
   - updated key information of the Group is available on the Company's website to enable shareholders and investors to have timely access to information about the Group

4. Shareholders' general meetings
   - a forum for shareholders to raise comments and exchange views with the Board
   - the chairman and the Directors are available at the general meetings of the Company to address shareholders' queries
   - separate resolutions are proposed at the general meetings on each substantially separate issue and procedures for demanding a poll in general meetings are included in the circulars to the shareholders to facilitate enforcement of shareholders' rights

The Company recognizes the importance of shareholders' privacy and will not disclose shareholders' information without their consent, unless required by law to do so.

During the year ended 31 December 2025, the Board has reviewed the implementation and effectiveness of the Shareholders' Communication Policy, including the multiple communication channels for shareholders in place and the steps taken to handle shareholders' enquiries, and the results were satisfactory.

ARRANGEMENT OF ELECTRONIC DISSEMINATION OF CORPORATE COMMUNICATIONS

Pursuant to Rule 2.07 of Listing Rules under the expansion of paperless listing regime and electronic dissemination of corporate communications that came into effect on 31 December 2023, the Company has adopted electronic dissemination of corporate communications (the "**Corporate Communications**"), which mean any documents issued or to be issued by the Company including but not limited to (a) the directors' report, its annual accounts together with a copy of the auditors' report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular and (f) a proxy form.

Both the English and Chinese versions of all future Corporate Communications will be available electronically on the website of the Company at www.chinasilver.hk and the HKExnews website at www.hkexnews.hk in place of printed copies.

THE WAY BY WHICH SHAREHOLDERS CAN CONVENE AN EXTRAORDINARY GENERAL MEETING

The Directors, notwithstanding anything in the Articles of Association, shall, on the requisition of shareholders holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company having the right of voting at general meetings of the Company, forthwith proceed duly to convene an extraordinary general meeting.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited to the Board or the company secretary at the Company's principal place of business at Unit 5, 17/F, China Merchants Tower, 168-200 Connaught Road Central, Sheung Wan, Hong Kong and may consist of several documents in like form each signed by one or more requisitionists.

The request will be verified with the Company's share registrars and upon their confirmation that the request is proper and in order, the Board will call an extraordinary general meeting for the transaction of any business specified in such requisition.

If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of two months from the said date.

THE PROCEDURES FOR SENDING ENQUIRIES TO THE BOARD

The enquiries must be in writing with contact information of the requisitionists and deposited at the company secretary at the Company's principal place of business at Unit 5, 17/F, China Merchants Tower, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

THE PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

There are no provisions in the Articles of Association permitting shareholders to move new resolutions directly at general meetings. However, pursuant to Article 58, shareholders holding not less than one-tenth of the voting rights at general meetings may, by written requisition, require the Company to convene an extraordinary general meeting and specify the business to be transacted, including proposing resolutions for inclusion on the meeting agenda, in accordance with the procedures set out above.

After the publication of the notice of a general meeting by the Company, according to the Articles of Association, if a shareholder of the Company wishes to propose a person (the "**Candidate**") for election as a Director at a general meeting, he/she shall deposit a written notice (the "**Notice**") at the Company's principal place of business in Hong Kong at Unit 5, 17/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong or at the office of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The Notice (a) must include the personal information of the Candidate as required by Rule 13.51(2) of the Listing Rules; and (b) must be signed by the shareholder concerned and signed by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal information. The period for lodgement of the Notice shall commence on the day after the despatch of the notice of general meeting and end no later than seven days prior to the date of such general meeting. In order to allow the Company's shareholders to have sufficient time to consider the proposal of election of the Candidate as a Director, shareholders who wish to make the proposal are urged to submit and lodge the Notice as early as practicable before the relevant general meeting.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**") on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board for a financial year or period and any final dividend for a financial year will be subject to the shareholders' approval. Such details have been disclosed in the annual reports of the Company.

CONSTITUTIONAL DOCUMENTS

At the extraordinary general meeting held on 23 December 2025, shareholders of the Company have approved the proposed amendments to memorandum of association and articles of association of the Company. Such amendments are intended to (i) update the authorised share capital of the Company following the increase in authorised share capital; (ii) bring the Company's memorandum and articles of association in line with the latest regulatory requirements under the Listing Rules, including those relating to the expanded paperless listing regime, the treasury share regime and other relevant amendments to the Listing Rules; and (iii) incorporate certain housekeeping amendments. An up to date version of the Company's memorandum and articles of association is available on the Company's website and the Stock Exchange's website.

On behalf of the Board
Chen Wantian
Chairman

Hong Kong, 25 March 2026

REPORT OF THE DIRECTORS

The directors of our Company (the "**Directors**") are pleased to report the audited consolidated financial statements of our Company and its subsidiaries (the "**Group**") for the year ended 31 December 2025.

REORGANISATION AND GLOBAL OFFERING

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 19 July 2012 under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to a group reorganisation, as fully explained in the section of "History, Reorganization and Group Structure" in the prospectus of the Company dated 14 December 2012 (the "**Prospectus**") in connection with the proposed listing of the Company's shares (the "**Shares**") on the Main Board of the Stock Exchange, the Company became the holding company of the companies now comprising the Group. The Shares were listed on the Stock Exchange on 28 December 2012 (the "**Listing**").

Our Company carried out a spin-off and separate listing of its New Jewellery Retail business, which is owned and operated by Mount Everest Gold Group Company Limited (formerly known as CSMall Group Limited) (Stock code: 1815) (the "**Everest Gold Group**") and its subsidiaries, on the Main Board of the Stock Exchange. The shares of Everest Gold Group were listed on the Stock Exchange on 13 March 2018. On 31 December 2025, Everest Gold Group ceased to be a subsidiary of our Company and became an associate of our Company instead, as a result of the allotment of new shares by Everest Gold Group which diluted our shareholding in Everest Gold Group. As at the date of this report, our Company held approximately 36.09% interest in the issued share capital of Everest Gold Group.

PRINCIPAL ACTIVITIES

The principal activity of our Company is investment holding and the Group was principally engaged in the manufacturing, sales and trading of silver ingots, palladium and other non-ferrous metals in the PRC (the "**Manufacturing segment**").

The operation of a New Jewellery Retail Segment operated by Everest Gold Group, being the designing and sale of gold, silver, colored gemstones, gem-set and other jewellery products in the PRC (the "**New Jewellery Retail segment**") was discontinued as at 31 December 2025 since the Company's shareholding in Everest Gold Group has been diluted from approximately 40.39% to approximately 39.70% immediately upon completion of certain subscriptions by investors of shares in Everest Gold Group on 31 December 2025, as disclosed in the Company's announcement dated 31 December 2025. This reduction in shareholding constitutes a deemed disposal of the Company's interest in Everest Gold Group and its subsidiaries.

BUSINESS REVIEW

A fair review of the business of the Group as well as a discussion on the Group's future business development and an analysis of the Group's performance during the year ended 31 December 2025 using financial key performance indicators are provided in the sections headed "Chairman's Statement" on pages 6 to 17 and "Management Discussion and Analysis" on pages 18 to 25 of this annual report which form part of this report.

(i) Principal risks and uncertainties

The Board is ultimately responsible for ensuring that the risk management practices of the Group are sufficient to mitigate the risks present in its businesses and operations as efficiently and effectively as possible. The Board delegates some of this responsibility to various operational departments.

The Group's principal business activities comprise the Manufacturing segment and New Jewellery Retail segment (discontinued as at 31 December 2025). The Group is exposed to a variety of key risks including credit risk, interest risk, liquidity risk, operational risk, regulatory risk, policy risk and market risk. There may be other risks and uncertainties which are not known to the Group or which may not be material.

(ii) Environmental policies and performance

The Group recognizes the importance of proper adoption of environmental policies which is essential to the attainability of corporate growth. The Group generates dust, sulfur dioxide, wastewater and noise during the production process of silver and other non-ferrous metals. To minimise the impact of such production emission, the Group has installed equipment to process and dispose of industrial waste pursuant to the requirements under the relevant PRC laws and regulations. The management has also formulated environment management policy for the Group based on applicable environmental laws, regulations and standards and environmental facilities inspection policies. The environmental protection and work safety department is responsible for designing and reviewing the environmental protection management systems and internal control measures to ensure compliance with applicable environmental laws and regulations.

(iii) Compliance with laws and regulations

The Group has compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing responsibility to monitor compliance with all significant legal and regulatory requirements. These policies and procedures are reviewed regularly. As far as the Company is aware, during the year ended 31 December 2025, there was no material breach of or non-compliance with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

(iv) Relationships with key stakeholders

The Group's success also depends on the support from key stakeholders which comprise employees, customers, suppliers and shareholders.

(a) Employees

Employees are regarded as the most important and valuable assets of the Group. The objective of the Group's human resource management is to reward and recognize performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within the Group for career advancement.

(b) Customers

The Group's principal customers are downstream manufacturers, traders of the Manufacturing segment and consumers of the New Jewellery Retail segment. The Group has the mission to provide excellent services and products whilst maintain our long-term profitability, business and asset growth. Various means have been established to strength the communication between the customers and the Group in the provision of excellent services and products.

(c) Suppliers

Sound relationships with key suppliers of the Group are important in supply chain which can derive cost effectiveness and foster long-term business benefits. The key suppliers comprise raw material and silver ingots suppliers of the Manufacturing segment, and suppliers and business partners of the New Jewellery Retail segment.

(d) Shareholders

One of the Group's corporate goals is to enhance corporate value to shareholders. The Group is poised to foster business developments for achieving the sustainability of earnings growth and rewarding shareholders by stable dividend payouts taking into account capital adequacy levels, liquidity positions and business expansion needs of the Group.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 64 of this report.

The Board has resolved not to recommend payment of a final dividend for the year ended 31 December 2025 (for the year ended 31 December 2024: Nil). No interim dividend has been declared for the year ended 31 December 2025.

FIVE YEARS' FINANCIAL SUMMARY

A financial summary of the Group for the last five years is set out on page 168 of this report. This summary does not form part of the audited consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the Group's sales to its five largest customers and its largest customer accounted for approximately 94.1% (2024: 95.8%) and 57.5% (2024: 51.5%) of the Group's total sales respectively.

For the year ended 31 December 2025, the Group's five largest suppliers and the largest supplier accounted for approximately 62.4% (2024: 55.6%) and 20.3% (2024: 25.7%) of the Group's total purchases respectively.

None of the Directors of the Company or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers or suppliers.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group are set out in Note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in Note 31 to the consolidated financial statements.

RESERVES

Movements in reserves of the Group during the year ended 31 December 2025 are set out in page 68 of this report.

As of 31 December 2025, the reserves of our Company available for distribution to shareholders amounted to RMB1,223,991,000 (2024: RMB248,146,000).

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of the Articles of Association and provided that immediately following the distribution or dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Articles of Association, dividends shall be distributed out of the retained profits or other reserve, representing the share premium account of the Company.

BORROWINGS

Details of bank and other borrowings of the Group as of 31 December 2025 are set out in Note 30 to the consolidated financial statements.

DIRECTORS

The Directors during the year ended 31 December 2025 and up to the date of this report were:

Executive Directors:

Mr. Chen Wantian
Mr. Song Guosheng

Independent Non-Executive Directors:

Mr. Song Hongbing
Ms. Song Fangxiu
Dr. Zeng Yilong

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 26 to 27 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company, based on such confirmations, considers such Directors to be independent for the year ended 31 December 2025.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service agreement with the Company for a term of three years. Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years. None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed in this report, no Director or entity connected with a Director had a material interest in, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries was a party and which subsisted at the end of or at any time during the year ended 31 December 2025.

CONTRACT OF SIGNIFICANCE

Save as disclosed under the section headed "Connected Transactions" in this report, no contract of significance was entered into between the Company or any of its subsidiary companies, and its controlling shareholder or any of its subsidiaries for the year ended 31 December 2025.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

EMOLUMENT POLICY

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices.

The Company has adopted share schemes as incentives for eligible employees, details of which are set out in the paragraph headed "Share Schemes" below.

REMUNERATION OF DIRECTORS, CHIEF EXECUTIVES AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors, chief executives and five highest paid individuals are set out in Note 13 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interests in Shares of the Company

Name of Director	Capacity/Nature of interest	Number of Shares[1]	Approximate percentage of interest in our Company
Mr. Chen Wantian	Beneficiary of a trust[2]	308,222,187	10.34%
	Beneficial interest[2]	1,050,000	0.04%
Mr. Song Guosheng	Beneficial interest[3]	456,797	0.02%

Notes:

1. All interests are long positions.

2. Mr. Chen Wantian is deemed to be interested in 308,222,187 Shares owned by Rich Union Enterprises Limited as his spouse, Ms. Zhou Peizhen, owns the entire issued share capital of Rich Union Enterprises Limited. The entire issued share capital of Rich Union Enterprises Limited has been transferred from Mr. Chen Wantian to his spouse, Ms. Zhou Peizhen, on 19 June 2023. Ms. Zhou Peizhen has declared that all such Shares are held in trust for the benefit of Mr. Chen Wantian. Further, Mr. Chen Wantian is the beneficial owner of 1,050,000 Shares.

3. Mr. Song Guosheng is the beneficial owner of 456,797 Shares.

(ii) Interests in shares of Everest Gold Group, an associated corporation of the Company

Name of director	Capacity/Nature of interest	Number of shares[1]	Approximate percentage of interest in Everest Gold Group
Mr. Chen Wantian	Beneficiary of a trust[2]	10,462,036	0.831%
	Beneficial interest[2]	17,500	0.001%

Notes:

1. All interests are long positions.

2. Mr. Chen Wantian is deemed to be interested in 10,462,036 shares of Everest Gold Group owned by Rich Union Enterprises Limited as his spouse, Ms. Zhou Peizhen, owns the entire issued share capital of Rich Union Enterprises Limited. The entire issued share capital of Rich Union Enterprises Limited has been transferred from Mr. Chen Wantian to his spouse, Ms. Zhou Peizhen, on 19 June 2023. Ms. Zhou Peizhen has declared that all such Shares are held in trust for the benefit of Mr. Chen Wantian. Further, Mr. Chen Wantian is the beneficial owner of 17,500 shares of Everest Gold Group.

Save as disclosed above, as at 31 December 2025, none of the Directors and the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the year ended 31 December 2025 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

ISSUANCE OF SHARES OR DEBENTURES

The Company did not issue any shares during the year ended 31 December 2025 other than the Shares issued as described in the section headed "Fundraising Activities and Use of Proceeds" above.

During the year ended 31 December 2025, the Company did not issue any debentures.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as known to the Directors, the register of substantial shareholders required to be kept by our Company under Section 336 of Part XV of the SFO shows that as of 31 December 2025, in addition to the interests disclosed under the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, our Company was notified of the following substantial shareholders' interests and short positions in the Shares and underlying Shares, being interests of 5% or more.

Interests in Shares of the Company

Name of shareholder	Capacity/Nature of interest	Number of Shares[1]	Approximate percentage of interest in our Company
Ms. Zhou Peizhen (周佩珍)	Interest in controlled corporation[2]	308,222,187	10.34%
	Interest of spouse[2]	1,050,000	0.04%
Newline Dragon Limited	Trustee[3]	234,212,000	7.86%

Notes:

1. All interests are long positions.

2. The entire issued share capital of Rich Union Enterprises Limited has been transferred from Mr. Chen Wantian to his spouse, Ms. Zhou Peizhen, on 19 June 2023. Ms. Zhou Peizhen has declared that all such Shares are held in trust for the benefit of Mr. Chen Wantian. Mr. Chen Wantian is the beneficial owner of 1,050,000 Shares

3. These Shares are held by Newline Dragon Limited as the trustee for the grantees under the Share Award Scheme until the shares are vested in the relevant grantees. For further details, please refer to the section headed "Share Award Scheme" in this Report of the Directors.

Save as disclosed above, as at 31 December 2025, our Company had not been notified by any person or corporation who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by our Company under Section 336 of Part XV of the SFO.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any treasury shares (as defined under the Listing Rules)) during the year ended 31 December 2025. The Company did not hold any treasury shares (as defined under the Listing Rules) at 31 December 2025.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands where the Company was incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing shareholders.

NON-COMPETITION UNDERTAKING

As disclosed in the Prospectus, each of Mr. Chen Wantian, Ms. Zhou Peizhen and Rich Union Enterprises Limited (the "**Controlling Shareholders**") has executed a deed of non-competition in favor of the Company (the "**Deed of Non-Competition**") through which they have jointly and severally undertaken to the Company not to, and will procure that none of their respective associates, (a) directly or indirectly engage, participate or hold any right or interest in or otherwise be involved in any business in competition with or likely to be in competition with our existing business activity or any principal business activity of any member of the Group or be in competition with us in any business activities which we may undertake in the future (the "**Restricted Business**") save for (i) the holding of not more than 5% shareholding interests (individually or any of the Controlling Shareholders with their associates collectively) in any listed company in Hong Kong; or (ii) the holding of shares in any listed company in Hong Kong where the Restricted Business conducted or engaged in by such company accounts for less than 10% of the relevant company's consolidated turnover or consolidated assets, or (iii) where the Controlling Shareholders are already, directly or indirectly, interested or invested in the operations of companies which are engaging in Restricted Business and details of which have been specifically disclosed in the Prospectus, or (b) take any direct or indirect action which constitutes an interference with or a disruption to our business activities including, but not limited to, solicitation of our customers, suppliers or staff.

To the best knowledge and belief of the Directors, the Deed of Non-Competition had ceased to have any effect on Ms. Zhou Peizhen as she ceased to be a controlling shareholder (as defined under the Listing Rules) of the Company on 11 July 2014. Subsequently, in light of the circumstances described in Note 2 under the paragraph headed "Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares" above, Ms. Zhou Peizhen again became a controlling shareholder (as defined under the Listing Rules) of the Company on 19 June 2023.

Each of Mr. Chen Wantian, Ms. Zhou Peizhen and Rich Union Enterprises Limited has provided a written confirmation to the Company confirming that he/she/it has complied with the terms of the Deed of Non-Competition for the year ended 31 December 2025. The independent non-executive Directors have also reviewed the status of compliance by each of Mr. Chen Wantian, Ms. Zhou Peizhen and Rich Union Enterprises Limited and confirmed that, as far as they can ascertain, each of Mr. Chen Wantian, Ms. Zhou Peizhen and Rich Union Enterprises Limited has complied with the terms of the Deed of Non-Competition.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in this report, as of 31 December 2025, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

CONNECTED TRANSACTIONS

Details of the related party transactions during the year ended 31 December 2025 are set out in Note 35 to the consolidated financial statements. Those related party transactions did not constitute connected transactions under the Listing Rules.

On 17 June 2025, Jiangxi Jiyin Company Limited* (江西吉銀實業有限公司) (the "**Purchaser**"), an indirect wholly-owned subsidiary of the Group, entered into an equity transfer agreement with Jiangxi Yincai Trading Co., Ltd.* (江西銀彩貿易有限公司) (the "**Vendor**"), an independent third party, to acquire 35% equity interest in Jiangxi Yiding Trading Co., Ltd.* (江西藝鼎貿易有限公司) (the "**Target Company**") for a consideration of RMB3,500,000. The Target Company, incorporated in the PRC, holds 100% equity interest in Xizang Shigatse Huaye Mining Development Co., Ltd.* (西藏日喀則市華冶礦業開發有限責任公司) ("**Xizang Shigatse**"), which is engaged in lead and zinc mine exploration. The Directors considered that the transaction above would advance the Company's strategy to expand into upstream mining operations, which confers a greater control over raw material supply that is essential and brings synergy to the Company's business. The transaction was completed on 18 July 2025. Taking into account that, the Vendor acquired 75% and 25% equity interests in Xizang Shigatse from Mr. Chen Wancheng and Mr. Qu Haiqing (an independent third party), respectively, through the Target Company prior to the acquisition in June 2025, and that Mr. Chen Wancheng is a brother of the chairman and an executive director of the Company, Mr. Chen Wantian, the Company considers that the Vendor, the Target Company and Xizang Shigatse are deemed connected persons of the Company. Accordingly, the transaction contemplated under the equity transfer agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Further details of the transaction are set out in the announcements dated 17 June 2025 and 26 June 2025. Following the deemed disposal of Everest Gold Group, the Group's interest in the Target Company has been accounted for as an associate under the equity method.

Save as disclosed, for the year ended 31 December 2025, the Group had not entered into any connected transactions nor continuing connected transactions which are required to be disclosed in this report pursuant to the Listing Rules.

* The English name is for identification only.

SHARE SCHEMES

Share Option Schemes

The Company adopted a share option scheme on 5 December 2012 (the "**2012 Scheme**") and 21 April 2015 (the "**2015 Scheme**", together with the 2012 Scheme, the "**Share Option Schemes**") respectively. The purpose of the Share Option Schemes is to reward participants who have contributed to our Group and to encourage participants to work towards enhancing the value of our Group. Further details of the Share Options Schemes are set out in Note 33 to the consolidated financial statements.

Details of the movement of the share options granted under the 2012 Scheme during the year ended 31 December 2025 are as follows:

Name	Date of grant	Exercise price per share	Exercise period	Outstanding as of 1.1.2025	Lapsed during the year	Exercised during the year	Outstanding as of 31.12.2025
Employees#							
In aggregate	2 January 2015	HK$1.80	2 January 2016 – 1 January 2025	44,800,000	(44,800,000)	–	–
				44,800,000	(44,800,000)	–	–

\# includes a consultant who has a labour contract with the Group.

The total number of Shares available for issue under the 2012 Scheme at the beginning of the financial year is 44,800,000 and as all of the share options are lapsed during the year, there were no outstanding shares available for issue as at 31 December 2025 and as at the date of this report.

Details of the movement of the share options granted under the 2015 Scheme during the year ended 31 December 2025 are as follows:

Name	Date of grant	Exercise price per share	Exercise period	Outstanding as of 1.1.2025	Lapsed during the year	Exercised during the year	Outstanding as of 31.12.2025
Employees							
In aggregate	27 August 2015	HK$1.97	27 August 2016 – 26 August 2025	81,000,000	(81,000,000)	–	–
				81,000,000	(81,000,000)	–	–

The total number of shares available for issue under the 2015 Scheme at the beginning of the financial year is 81,000,000, and as all of the share options lapsed during the year, there were no outstanding shares available for issue as at 31 December 2025 and as at the date of this report.

The number of options available for grant under the scheme mandate under all Share Option Schemes at the beginning and the end of the financial year is nil.

Note 1: The closing price per Share immediately before 2 January 2015 and 27 August 2015 (the date on which the share options were granted) was HK$1.80 and HK$1.87 respectively.

Note 2: Share options granted under the 2012 Scheme on 2 January 2015 are exercisable during the period from 2 January 2016 to 1 January 2025 in three batches, being:

- 2 January 2016 to 1 January 2025 (up to 30% of the share options granted are exercisable)
- 2 January 2017 to 1 January 2025 (up to 60% of the share options granted are exercisable)
- 2 January 2018 to 1 January 2025 (all share options granted are exercisable)

Note 3: Share options granted under the 2015 Scheme on 27 August 2015 are exercisable during the period from 27 August 2016 to 26 August 2025 in two batches, being:

- 27 August 2016 to 26 August 2025 (up to 50% of the share options granted are exercisable)
- 27 August 2017 to 26 August 2025 (all share options granted are exercisable)

Share Award Scheme

The Company adopted the Share Award Scheme on 18 June 2025 pursuant to the shareholders' approval obtained at the annual general meeting held on the same date, as disclosed in the Company's announcement dated 18 June 2025. As further disclosed in the Company's announcement dated 30 September 2025, the Company has granted an aggregate of 234,212,000 shares under the Share Award Scheme ("**Awarded Shares**") to 11 grantees, all of whom are employees of the Group and have accepted the awarded shares. None of the grantees is a participant with the Company's options and awards granted or to be granted to him/her in any preceding 12-month period exceeding the 1% individual limit under the Listing Rules.

Particulars of the Share Award Scheme are set out as follows:

Purpose

The purpose of the Share Award Scheme is to reward participants who have contributed to the Group and encourage participants to work towards enhancing the value of the Group for the benefit of the Company and its shareholders as a whole.

Eligible participants

The employees of the Company or any of its subsidiaries (including persons who are granted awards under the Share Award Scheme as an inducement to enter into employment contracts with these companies), provided that the Board may have absolute discretion to determine whether or not one falls within the above category, and does not include any independent non-executive directors.

Maximum entitlement of each participant

The total number of shares allotted and issued or to be allotted and issued in respect of all awards and options granted to each participant under the Share Award Scheme and other share schemes of the Company (excluding any options and awards lapsed in accordance with the terms of the respective share schemes) in any twelve (12)-month period shall not exceed 1% of the shares of the Company in issue (excluding treasury shares), unless such further grant is separately approved by shareholders in a general meeting.

In addition, where any grant of awards to a substantial shareholder of the Company, or any of his or her associate, would result in the shares of the Company issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) to such person in the twelve (12)-month period up to and including the date of such grant, representing in aggregate over 0.1% of the shares of the Company in issue (excluding treasury shares) on the date of such grant, such further grant of awards must be approved by the shareholders in a general meeting.

Vesting period

The Awarded Shares are subject to a minimum vesting period of 12 months, unless otherwise permitted under specific circumstances (e.g. make-whole grants, termination due to death or disability, administrative reasons, or performance-based vesting). Vesting is also subject to satisfaction of any performance targets and conditions specified in the grant letter.

Consideration and purchase price

HK$1.00 shall be paid by each Grantee upon acceptance of the Awarded Shares granted, within 28 days from the date of grant. The Board may grant the Awarded Shares at a purchase price determined at its discretion, taking into account the grantee's performance and contribution, payable at vesting or such other time as determined by the Board.

Maximum number of shares available for issue

Pursuant to the Share Award Scheme, the total number of shares which may be issued in respect of all options and awards to be granted under Share Award Scheme and any other schemes of the Company shall not, in aggregate exceed 10% in nominal amount of the aggregate of shares in issue as at date of adoption, i.e. 234,212,555 shares.

As at 31 December 2025, the total number of shares available for issue under the Share Award Scheme was 555, which is less than 0.01% of the Company's issued share capital as of the date of this report.

Remaining life of the Share Award Scheme

The Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on the adoption date of 18 June 2025. As at the date of this report, the remaining life of the Share Award Scheme is approximately 9 years and 3 months.

Further details of the Share Award Scheme are set out in Note 33 Share-based payments in the Notes to the Consolidated Financial Statement of this report.

The number of Awarded Shares available for future grant under the existing scheme mandate limit of the Share Award Scheme was nil and 555, as at 1 January 2025 and 31 December 2025 respectively. The total number of shares of the Company that may be issued in respect of the Awarded Shares granted under the Share Award Scheme during the year is 234,212,000 Shares, representing approximately 9.80% of the weighted average number of issued shares of the Company for the year ended 31 December 2025.

The following table discloses movements of Company's Awarded Shares under the Share Award Scheme during the year:

Date of grant	Closing price immediately before the date of grant per share	Outstanding (unvested) as at 1 January 2025	Granted during the year	Outstanding (unvested) as at 31 December 2025
30 September 2025	HK$0.51	–	234,212,000	234,212,000

* One of the grantees, Mr. Chen Wanquan, is the brother of Mr. Chen Wantian, an executive director of the Company, and is therefore an associate (as defined in the Listing Rules) of the director of the Company. Mr. Chen Wanquan has been granted 2,330,000 Awarded Shares, representing approximately 0.09% of the total number of Shares in issue as at the date of grant, which has been approved by the independent non-executive directors of the Company in accordance with Rule 17.04(1) of the Listing Rules and the terms of the Share Award Scheme. For the avoidance of doubt, Mr. Chen Wanquan has not been granted any other share options or awards of the Company in the twelve (12)-month period up to and including the date of this report.

Notes:

(1) All Awarded Shares are held by the trustee of the Share Award Scheme, Newline Dragon Limited, for the grantees until such Awarded Shares are vested in the relevant grantees in accordance with the terms of the Share Award Scheme and the trust deed. All Awarded Shares will be vested on the first anniversary of the date of grant. No Awarded Share was vested during the year ended 31 December 2025.

(2) HK$1.00 shall be paid by each Grantee upon acceptance of the Awarded Shares granted, within 28 days from the date of grant. No performance target is set for the Awarded Shares.

(3) The estimated fair value of the Awarded Shares granted on 30 September 2025 was approximately HK$124,132,360, calculated based on the number of Awarded Shares multiplied by the closing price per share on the date of grant.

(4) None of the Awarded Shares are lapsed or cancelled during the year.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this report, no equity-linked agreements that will or may result in the Company issuing Shares or requiring the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the year ended 31 December 2025 or subsisted at the end of the year.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

We mainly operate in the PRC with most of the transactions settled in RMB and therefore have minimal exposure to foreign exchange risk. We have not used any derivative financial instrument to hedge against our exposure to foreign exchange risk but will closely monitor such risk on an ongoing basis. For a detailed discussion, please refer to Note 3 to the consolidated financial statements.

AUDIT COMMITTEE

The Audit Committee has reviewed the financial reporting processes, risk management and internal control systems of the Group. The Audit Committee has also reviewed and discussed with the external auditors the audited consolidated financial statements for the year ended 31 December 2025. The Audit Committee is of the opinion that these statements had complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made.

PERMITTED INDEMNITY PROVISION

Pursuant to article 164 of the Articles of Association, every Director is entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of the duties of his office or otherwise in relation thereto (except such is incurred or sustained through his own fraud or dishonesty). Such provision is currently in force as of the date of this report and was in force throughout the year ended 31 December 2025.

The Company has taken out and maintained appropriate directors' and officers' liability insurance coverage for the directors and officers of the Company throughout the year ended 31 December 2025.

TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders by reason of their holding of the Shares.

CORPORATE GOVERNANCE

The Company is committed to the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 28 to 45 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, have been held by the public at all times for the year ended 31 December 2025 and up to the date of this report.

AUDITOR

The consolidated financial statements of the Company for the year ended 31 December 2025 have been audited by Linksfield CPA Limited.

Linksfield CPA Limited will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company. A resolution will be submitted to the forthcoming annual general meeting of the Company for the re-appointment of Linksfield CPA Limited as auditor of the Company.

On behalf of the Board
Chen Wantian
Chairman

Hong Kong, 25 March 2026

INDEPENDENT AUDITOR'S REPORT

LINKSFIELD
CPA LIMITED

LINKSFIELD CPA LIMITED
金道連城會計師事務所有限公司
Units 2001-02, 20/F., Podium Plaza, 5 Hanoi Road,
Tsim Sha Tsui, Hong Kong
香港尖沙咀河內道5號普基商業中心20樓2001-02室

TO THE SHAREHOLDERS OF CHINA SILVER GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of China Silver Group Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 64 to 167, which comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of material accounting policies and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("**the Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

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

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition

Key audit matter	How our audit addressed the key audit matter
Revenue recognition	
The revenue of the Group mainly comprises income from sales of silver ingots. For the year ended 31 December 2025, the recognised revenue of the Group was RMB3,063,300,000, referring to Note 6 to the consolidated financial statements. We focused on this area due to the significance of the revenue to the consolidated financial statements and hence significant audit resources were spent on performing the audit procedures on revenue recognition. For disclosure on the revenue recognition policy, please refer to Note 2.	Our procedures in relation to assessing the appropriateness of the accuracy of revenue included: • Obtaining an understanding of processes and internal controls of revenue recognition; • Performing testing on the design and execution effectiveness of key internal controls; • Inspecting the sales contract on a sampling basis to identify the sales business contract and each individual performance obligation, and evaluated whether the point of time when the customer obtains control of the service as judged by the management meets the requirements of the IFRS Accounting Standards; and • Performing analytical procedures and detailed tests to review the completeness, authenticity, cut-off of revenue accounting and the accuracy of disclosure. Based on the procedures performed, we found the revenue transactions tested to be supported by the available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

LINKSFIELD CPA LIMITED
Certified Public Accountants

Chan Tsz Yeung
Practising Certificate Number: P08054

Hong Kong, 25 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000 (Restated)
Continuing operation			
Revenue	6	**3,063,300**	4,156,144
Cost of sales		**(2,991,131)**	(4,093,459)
Gross profit		**72,169**	62,685
Other income, net	7	**5,800**	2,934
Other gains and (losses), net	8	**2,071**	(2,456)
Selling and distribution expenses		**(2,322)**	(3,154)
Administrative expenses		**(52,010)**	(21,360)
Research and development expenses	9	**(724)**	(789)
Provision for impairment loss under expected credit loss model, net		**–**	–
Finance costs	10	**(12,037)**	(21,232)
Profit before income tax		**12,947**	16,628
Income tax (expense) credit	11	**(330)**	2,102
Profit for the year from continuing operation	12	**12,617**	18,730
Discontinued operations			
Profit (loss) for the year from discontinued operations	25	**59,664**	(40,932)
Gain on deemed disposal of subsidiaries	25(i)&(ii)	**537,218**	–
Gain on disposal of subsidiaries	25(iii)	**11,465**	–
		608,347	(40,932)
Profit (loss) and total comprehensive income (expense) for the year		**620,964**	(22,202)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 RMB'000	2024 RMB'000 (Restated)
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**586,329**	9,966
Non-controlling interests		**34,635**	(32,168)
		620,964	(22,202)
Profit (loss) for the year attributable to owners of the Company arises from:			
Continuing operation		**12,617**	18,730
Discontinued operations		**573,712**	(8,764)
		586,329	9,966
		RMB	RMB
Earnings per share for profit attributable to owners of the Company	15		
Basic and diluted		**0.245**	0.005
Earnings per share for profit from continuing operation attributable to owners of the Company	15		
Basic and diluted		**0.005**	0.010

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	16	**81,560**	98,915
Goodwill	20	**–**	–
Right-of-use assets	17	**15,265**	19,057
Intangible assets	18	**1,019**	6,796
Investments in associates	19	**1,105,751**	–
Deferred tax assets	21	**342**	4,932
		1,203,937	129,700
Current assets			
Inventories	22	**184,768**	1,111,866
Trade and other receivables	23	**2,273**	140,542
Income tax recoverable		**–**	736
Pledged bank deposits	24	**239,500**	39,800
Bank balances and cash	24	**232,315**	526,342
		658,856	1,819,286
Assets of a disposal group classified as held for sale	25(iii)	**–**	29,890
		658,856	1,849,176
Current liabilities			
Trade, bills and other payables	26	**325,594**	198,200
Lease liabilities – current portion	28	**507**	699
Contract liabilities	29	**–**	5,577
Amounts due to non-controlling interests	27	**–**	6,396
Amount due to the ultimate shareholder	27	**74,719**	40,010
Amounts due to associates	27	**18,494**	–
Deferred income	32	**714**	714
Income tax payable		**116**	8,501
Bank and other borrowings	30	**110,000**	400,921
		530,144	661,018
Liabilities directly associated with assets classified as held for sale	25(iii)	**–**	97,732
		530,144	758,750
NET CURRENT ASSETS		**128,712**	1,090,426
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,332,649**	1,220,126

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
Capital and reserves			
Share capital	31	**25,373**	15,935
Share premium and reserves		**1,307,466**	445,502
Equity attributable to the owners of the Company		**1,332,839**	461,437
Non-controlling interests		**(899)**	756,911
TOTAL EQUITY		**1,331,940**	1,218,348
Non-current liabilities			
Lease liabilities – non-current portion	28	**54**	409
Deferred income	32	**655**	1,369
		709	1,778
TOTAL EQUITY AND NON-CURRENT LIABILITIES		**1,332,649**	1,220,126

The consolidated financial statements on pages 64 to 167 were approved and authorised for issue by the Board of Directors on 25 March 2026 and were signed on its behalf by:

Chen Wantian
Director

Song Guosheng
Director

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Share options reserve RMB'000	Share awards reserve RMB'000 (Note 33(a))	Capital reserve RMB'000 (Note i)	Statutory reserve RMB'000 (Note ii)	Exchange reserve RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Attributable to non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	15,935	1,255,434	89,330	–	129,731	214,306	(2,736)	(1,250,529)	451,471	786,629	1,238,100
Profit (loss) for the year	–	–	–	–	–	–	–	9,966	9,966	(32,168)	(22,202)
Total comprehensive income (expense) for the year	–	–	–	–	–	–	–	9,966	9,966	(32,168)	(22,202)
Lapse of share options	–	–	(21,459)	–	–	–	–	21,459	–	–	–
Statutory reserve appropriation	–	–	–	–	–	331	–	(331)	–	–	–
Acquisition of a non-wholly owned subsidiary (Note iii)	–	–	–	–	–	–	–	–	–	2,450	2,450
At 31 December 2024 and 1 January 2025	15,935	1,255,434	67,871	–	129,731	214,637	(2,736)	(1,219,435)	461,437	756,911	1,218,348
Profit for the year	–	–	–	–	–	–	–	586,329	586,329	34,635	620,964
Total comprehensive income for the year	–	–	–	–	–	–	–	586,329	586,329	34,635	620,964
Lapse of share options	–	–	(67,871)	–	–	–	–	67,871	–	–	–
Issue of new shares (Note 31)	3,702	162,759	–	–	–	–	–	–	166,461	–	166,461
Loans capitalisation (Note 31)	3,593	86,638	–	–	–	–	–	–	90,231	–	90,231
Shares allotted for share award scheme	2,143	111,413	–	(113,556)	–	–	–	–	–	–	–
Vesting of awarded shares	–	–	–	28,389	–	–	–	–	28,389	–	28,389
Acquisition of a non-wholly owned subsidiary (Note iv)	–	–	–	–	–	–	–	–	–	4,500	4,500
Issue of new shares of Everest Gold (Note v)	–	–	–	–	–	–	–	–	–	39,088	39,088
Recognition of equity-settled share based payments from Everest Gold (Note vi)	–	–	–	–	–	–	–	–	–	56,461	56,461
Deemed disposal of subsidiaries (Note 25)	–	–	–	–	(97,573)	(26,234)	(8)	123,807	(8)	(892,494)	(892,502)
At 31 December 2025	**25,373**	**1,616,244**	**–**	**(85,167)**	**32,158**	**188,403**	**(2,744)**	**(441,428)**	**1,332,839**	**(899)**	**1,331,940**

Notes:

i) The capital reserve represents the sum of: (a) RMB31,486,000 being the excess of the consideration paid by an independent investor to acquire 10% interest in the Group over the par value of the share capital subscribed; (b) RMB654,000 being the excess of the share capital of a subsidiary acquired by the Company over the nominal consideration of US$1 paid, as part of the group reorganisation prior to the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 28 December 2012; (c) RMB115,030,000 and RMB54,303,000 being the difference between the increase in the non-controlling interests and the consideration received from the disposal of partial interest in CSMall Group Limited BVI ("**CSMall BVI**") in 2016 and 2017, respectively ("**Increase in non-controlling interests**"); (d) RMB18,000 being the difference between the increase in the non-controlling interests and the consideration received from the increase of partial interest in Yongfeng County Tongsheng Consulting Services Co., Ltd.* (永豐縣通盛顧問服務股份有限公司) ("**Tongsheng**") in 2017; (e) a negative amount of RMB74,692,000 being the difference between the increase in the non-controlling interests and the net proceeds received from the initial listing of shares in a Group's subsidiary, Mount Everest Gold Group Company Limited ("**Everest Gold**", together with its subsidiaries, collectively the "**Everest Gold Group**") (Formerly known as CSMall Group Limited) in March 2018 (as detailed in Note 42(iii)) ("**Difference from initial listing**"); and (f) decrease of RMB4,671,000 and increase of RMB7,603,000 being the shortfall of RMB83,008,000 of the share-based payment expense paid by Everest Gold Group and excess of the proceeds of RMB136,780,000 received from a strategic investor of Everest Gold Group, respectively, over the increase in the carrying amounts of non-controlling interests as a result of share issuance ("**Shortfall of share-based payment expense**"). Upon the deemed disposal of Everest Gold Group, the above Increase in non-controlling interests, Difference from initial listing and Shortfall of share-based payment expense have been derecognised as at 31 December 2025.

ii) According to the relevant laws of the People's Republic of China (the "**PRC**"), the Company's subsidiaries established in the PRC have to transfer a portion of their profits after income tax to the statutory reserve. The transfer to this reserve must be made before the distribution of a dividend to the equity owners. The transfer can cease when the balance of the reserve reaches 50% of the registered capital of the respective subsidiaries. The reserve can be applied either to set off accumulated losses or to increase capital.

iii) During the year ended 31 December 2024, the Group acquired 51% equity interest in Jiangxi Letong New Materials Co., Ltd. ("**Jiangxi Letong**") from independent third parties by way of capital injection of RMB2,550,000 payable in cash to Jiangxi Letong. The transaction was completed on 21 August 2024. Following the deemed disposal of Everest Gold Group, the investment changed from a non-wholly owned subsidiary to an associate. Details are set out in Notes 38(ii)(a) and 25(i).

iv) During the year ended 31 December 2025, the Group acquired 55% equity interest in Jiangxi Yiding Trading Co., Ltd.* (江西藝鼎貿易有限公司) ("**Jiangxi Yiding**") from independent third party of RMB5,500,000 in cash to Jiangxi Yincai Trading Co., Ltd.* (江西銀彩貿易有限公司). The transaction was completed on 18 July 2025. Following the deemed disposal of Everest Gold Group, the investment changed from a non-wholly owned subsidiary to an associate. Details are set out in Notes 38(i)(a) and 25(ii).

v) Everest Gold has allotted 21,700,000 ordinary shares on 31 December 2025.

vi) Everest Gold has adopted a share option scheme on 27 March 2025 as incentive to eligible employees. 123,780,000 outstanding share options have been granted under the share option scheme during the year ended 31 December 2025.

* The English name is for identification purpose only.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 RMB'000	2024 RMB'000 (Restated)
Cash flows from operating activities		
Profit (loss) before income tax from:		
Continuing operation	**12,947**	16,628
Discontinued operations	**646,728**	(39,883)
Profit (loss) before income tax including discontinued operations	**659,675**	(23,255)
Adjustments for:		
Amortisation of intangible assets	**362**	1,136
Bank interest income	**(595)**	(1,905)
Depreciation of property, plant and equipment	**13,531**	14,636
Depreciation of right-of-use assets	**1,488**	4,030
Share-based payment expenses	**84,850**	–
Finance costs	**16,571**	27,114
(Reversal of) provision for impairment loss under expected credit loss model, net	**(152)**	30,359
Loss on write-off and disposal of property, plant and equipment	**2,718**	321
Loss on write-off and disposal of intangible assets	**–**	1,800
Impairment loss on goodwill	**–**	8,504
Release of deferred income	**(714)**	(714)
Gain on deemed disposal of subsidiaries	**(537,218)**	–
Gain on disposal of subsidiaries	**(11,465)**	–
Operating cash flows before movements in working capital	**229,051**	62,026
Increase in inventories	**(46,811)**	(24,924)
Decrease (increase) in trade and other receivables	**7,226**	(43,691)
Increase (decrease) in trade, bills and other payables	**292,687**	(59,860)
(Decreased) increase in contract liabilities	**(1,645)**	1,993
Cash generated from (used in) operations	**480,508**	(64,456)
Income tax paid	**(19,098)**	–
Net cash generated from (used in) operating activities	**461,410**	(64,456)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 RMB'000	2024 RMB'000 (Restated)
Cash flows from investing activities		
Placement of pledged bank deposits	**(259,000)**	(85,700)
Withdrawal of pledged bank deposits	**59,300**	153,800
Purchase of property, plant and equipment	**(7,791)**	(1,246)
Addition of intangible assets	**(50,028)**	(4,997)
Interest income received	**595**	1,905
Net cash outflow on acquisition of subsidiaries	**(33,160)**	(2,487)
Net cash outflow on deemed disposal of subsidiaries	**(608,191)**	–
Net cash outflow on disposal of subsidiaries	**(174)**	–
Net cash (used in) generated from investing activities	**(898,449)**	61,275
Cash flows from financing activities		
Proceeds from issue of share capital	**166,461**	–
Proceeds from placing of shares by a then subsidiary	**39,088**	–
Proceeds from bank and other borrowings	**226,630**	365,384
Repayment of bank and other borrowings	**(310,690)**	(377,663)
Advances from non-controlling interests	**3,868**	6,861
Interest paid	**(16,571)**	(27,263)
Repayment of lease liabilities	**(957)**	(2,014)
Advance from the ultimate shareholder	**34,709**	40,010
Net cash generated from financing activities	**142,538**	5,315
Net (decrease) increase in cash and cash equivalents	**(294,501)**	2,134
Cash and cash equivalents at the beginning of the year	**526,816**	524,682
Cash and cash equivalents of assets classified as held for sale	**–**	(474)
Cash and cash equivalents at the end of the year	**232,315**	526,342
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	**232,315**	526,342
Cash and cash equivalents of assets classified as held for sale	**–**	474
	232,315	526,816

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION

China Silver Group Limited (the "**Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 19 July 2012 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 28 December 2012.

The address of the registered office is Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands and principal place of business in Hong Kong of the Company is Unit 5, 17/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") operates the business of the manufacture, sale and trading of silver ingots, palladium and other non-ferrous metals in the People's Republic of China (the "**PRC**").

On 31 December 2025, the Company's shareholding in Everest Gold has been diluted from approximately 40.39% to approximately 39.70% upon completion of certain subscriptions of Everest Gold Group on 31 December 2025. This reduction in shareholding constitutes a deemed disposal of the Company's interest in Everest Gold and its subsidiaries (collectively "**Everest Gold Group**"). As a result, Everest Gold Group ceased to be subsidiaries of the Group and became associates. Its principal activities – the design and sale of gold, silver, colored gemstones, gem-set, and other jewellery products in the PRC will no longer be classified as a revenue segment of the Group as at 31 December 2025. The comparatives of the financial results for the year ended 31 December 2024 have been restated accordingly.

On 17 June 2025, Jiangxi Jiyin Company Limited* (江西吉銀實業有限公司) (the "**Purchaser**"), an indirect wholly-owned subsidiary of the Group, entered into an equity transfer agreement with Jiangxi Yincai Trading Co., Ltd.* (江西銀彩貿易有限公司) (the "**Vendor**"), an independent third party, to acquire 35% equity interest in Jiangxi Yiding Trading Co., Ltd.* (江西藝鼎貿易有限公司) (the "**Target Company**") for a consideration of RMB3,500,000. The Target Company, incorporated in the PRC, holds 100% equity interest in Xizang Shigatse Huaye Mining Development Co., Ltd.* (西藏日喀則市華冶礦業開發有限責任公司), which is engaged in lead and zinc mine exploration. The transaction was completed on 18 July 2025, and the Group's interest in the Target Company has been accounted for as an associate under the equity method.

On 5 November 2024, Shenzhen Guojintongbao Company Limited* (深圳國金通寶有限公司) ("Shenzhen Guojintongbao" which is a wholly-owned subsidiary of the Everest Gold Group and a non-wholly-owned subsidiary of the Group) entered into a sale and purchase agreement (the "**Share Purchase Agreement**") with Shanghai Xinding Metallic Materials Co., Ltd* (上海鑫鼎金屬材料有限公司) ("**Shanghai Xinding**") to dispose of the Group's 51% equity interest in Shenzhen Xiansheng Zhanggui Technology Co., Ltd.* (深圳鮮生掌櫃科技有限公司) (together with its subsidiaries, the "**Nongmuren Group**" or the "**Disposal Group**") to Shanghai Xinding at a consideration of RMB300,000. The transaction was completed on 13 January 2025.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the same as the functional currency of the Company.

* *The English name is for identification purpose only.*

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention except for assets classified as held for sale that are measured at the lower of their previous carrying amount and fair value less costs to sell at the end of each reporting period.

2.1(a) New standards and amendments to IFRS Accounting Standards that are mandatorily effective for the current year

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2025:

Amendments to IAS 21	Lack of Exchangeability

The new standards and amendments to standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.1(b) New standards and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments [1]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity [1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 [1]
IFRS 18	Presentation and Disclosure in Financial Statements [2]
IFRS 19	Subsidiaries without Public Accountability: Disclosures [2]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency [2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [3]

1 Effective for annual periods beginning on or after 1 January 2026.
2 Effective for annual periods beginning on or after 1 January 2027.
3 Effective for annual periods beginning on or after a date to be determined.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1(b) New standards and amendments to IFRS Accounting Standards in issue but not yet effective (Continued)

In July 2024, IASB issued IFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss and other comprehensive income, which will affect how the Group present and disclose financial performance in the consolidated financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The directors of the Company are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Certain new standards and amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. These new standards and amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and consolidated statement of financial position respectively.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are reclassified to profit or loss, as part of the gain or loss on sale.

2.3 Investments in associates

An associate is an entity over which the Group has significant influence. 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.

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Investments in associates (Continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of investments in the associate that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term investments in an associate to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

Changes in the Group's investments in associates

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.4 Business combination and asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.4 Business combination and asset acquisitions (Continued)

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired entity,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any noncontrolling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the consolidated statement of profit or loss. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment losses. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors that make strategic decisions.

2.7 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The Company's functional currency is RMB, which is the Company's and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

(iii) Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

– assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

– income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and

– all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.8 Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.8 Revenue from contracts with customers (Continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9 "Financial Instruments" ("**IFRS 9**"). In contrast, a receivable represents the Group's unconditional right to consideration, i.e., only the passage of time is required before payment of that consideration is due.

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

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

2.9 Leases

Definition of 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.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Leases (Continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office premises and retail shops that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.9 Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans including the state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Hong Kong

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "**MPF Scheme**") set up pursuant to the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administrated fund. The Group's employer contributions vest fully with the employees when contributed to the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to vesting fully in the contributions, in accordance with the rules of the MPF Scheme.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The PRC

In accordance with the rules and regulations in the PRC, the PRC-based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC-based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC-based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The Group's contribution to the defined contribution retirement schemes are expensed as incurred.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Employee benefits (Continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standards requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based compensation benefits

The Group operates a number of share-based compensation plans (including share option schemes and share award scheme), under which the Group receives services from employees and other qualifying participants as consideration for equity instruments (including share options and awarded shares) of the Group. The fair value of the employee services and other qualifying participants' services received in exchange for the grant of equity instruments of the Group is recognised as an expense over the vesting period, i.e., the period over which all of the specified vesting conditions are to be satisfied and credited to equity.

For grant of share options, the total amount to be expensed is determined by reference to the grant-date fair value of the options granted by using Binomial Model, which includes the impact of market performance conditions (such as the Company's share price) but excludes the impact of service condition and non-market performance conditions. For grant of awarded shares, the total amount to be expensed is determined by reference to the market price of the Company's shares at the grant date. The Group also adopts valuation and actuarial techniques to assess the grant-date fair value of other equity instruments of the Group granted under the share-based compensation plans as appropriate.

Non-market performance and service conditions are included in assumptions about the number of options and awarded shares that are expected to become vested.

When the options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. When the vested equity instruments are later forfeited prior to expiry date, the amount previously recognised in share premium may be transferred to retained earnings. If the Group repurchases vested equity instruments, the payments made to the employees and other qualifying participants are accounted for as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments repurchased, measured at the repurchase date. Any such excess is recognised as an expense.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.12 Employee benefits (Continued)

Share-based compensation benefits (Continued)

If the terms of an equity-settled share-based award are modified, an additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employees and other qualifying participants, as measured at the date of modification. Modifications of an equity-settled share-based award in a manner that is not beneficial to employees are not taken into account when determining the expenses to be recognised.

If a grant of equity instruments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Group accounts for the cancellation or settlement as an acceleration of vesting, and therefore recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

Cash-settled share-based payment transactions are those arrangements where the terms provide the Group to settle the transaction in cash. For cash-settled share-based payments, a liability is recognised at the current fair value determined at the end of the reporting period to the extent of the portion of the services received until the date of settlement, with any changes in fair value recognised in profit or loss.

2.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit (loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arise from the initial recognition of goodwill.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.13 Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.14 Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.15 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("**CGUs**"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The Group performs it's annual impairment reviews for goodwill as at 31 December every year. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Exploration rights and assets

Exploration rights and assets are stated at cost less impairment losses. Exploration rights and assets include the cost of acquiring exploration rights, topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies, and amortisation and depreciation charges in respect of assets consumed during the exploration activities.

Exploration and evaluation costs include expenditure incurred to secure further mineralisation in existing ore bodies as well as in new areas of interest. Expenditure incurred prior to acquiring legal rights to explore an area is written off as incurred.

When it can be reasonably ascertained that an exploration property is capable of commercial production, exploration and evaluation costs capitalised are transferred to either mining infrastructure or mining rights and reserves and depreciated/amortised by the use of production method (the "UOP" method) based on the proven and probable mineral reserves. Costs incurred for exploration which can be directly attributable to the development of mining infrastructure are transferred to mining infrastructure when the exploration reaches the stage of commercial production. All other costs will be transferred to mining rights and reserves. Exploration rights and assets are written off to profit or loss if the exploration property is abandoned.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.15 Intangible assets (Continued)

Mining rights and reserves

Mining rights and reserves are stated at cost less accumulated amortisation and any impairment losses. Mining rights and reserves include the cost of acquiring mining licences and exploration and evaluation costs transferred from exploration rights and assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights and reserves are amortised over the estimated useful lives of the mines, in accordance with the production plans of the entities concerned and the proven and probable mineral reserves of the mines using the UOP method. Mining rights and reserves are written off to profit or loss if the mining property is abandoned.

2.16 Impairment of property, plant and equipment, right-of-use assets, intangible assets (including exploration rights and assets)

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets (including exploration right and assets) with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, intangible assets (including exploration rights and assets) are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash generating unit for impairment, corporate assets are allocated to the relevant cash-generating units when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.16 Impairment of property, plant and equipment, right-of-use assets, intangible assets (including exploration rights and assets) (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable, to the sale and non-incremental costs which the Group must incur to make the sale.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.19 Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

2.20 Disposal group held for sale and Discontinued operation

Disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. It is measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the disposal group to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of a disposal group, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the disposal group is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidation statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidation statement of financial position.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operation are presented separately in the consolidated statement of profit or loss and other comprehensive income and in Note 25.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchase or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales of financial assets are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Financial instruments (Continued)

Financial assets (Continued)

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and other receivables, refundable rental deposits, restricted bank balances, pledged bank deposits and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets that are credit-impaired or with significant outstanding balance is assessed individually. The ECL on the remaining balance is assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

iv) Write-off policy

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Past-due status; and

- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.21 Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including amount due to non-controlling interests, amount due to the ultimate shareholder, trade, bills and other payables, lease liabilities and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3 FINANCIAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes amounts due to non-controlling interests, amount due to the ultimate shareholder, amounts due to associates, trade, bills and other payables, lease liabilities and bank and other borrowings, net of bank and cash equivalents and equity attributable to owners of the Company, comprising share capital and various reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital, and will take appropriate actions to balance its overall capital structure.

Financial risk management objectives and policies

The Group's financial instruments include trade and other receivables, refundable rental deposits, pledged bank deposits, bank balances and cash, amounts due to non-controlling interests, amount due to the ultimate shareholder, amounts due to associates, trade, bills and other payables, lease liabilities and bank and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Market risk

Currency risk

The carrying amounts of the Group's monetary assets and monetary liabilities that are denominated in currencies other than the functional currency of the respective entities at the end of the reporting period are mainly as follows:

	Assets		Liabilities	
	2025	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000
Hong Kong dollar ("**HK$**")	**1,400**	549	**16,976**	1,108
United States dollar	**223**	4	**–**	–

The Group currently does not have a foreign currency hedging policy. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

3 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

Sensitivity analysis

The analysis measures the Group's sensitivity to a 5% (2024: 5%) increase and decrease in the RMB against relevant foreign currencies. 5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2024: 5%) change in foreign currency rates. A positive number indicates an increase in profit for the year and other equity where RMB strengthen 5% (2024: 5%) against the relevant currency. For a 5% (2024: 5%) weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit for the year and the amounts would be negative.

There was no significant foreign currency risk for as at 31 December 2025 and 2024.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to its fixed-rate pledged bank deposits, lease liabilities and bank and other borrowings (see Notes 24, 28 and 30 for details, respectively).

The Group is also exposed to cash flow interest rate risk in relation to its variable-rate bank and other borrowings and bank balances (see Notes 30 and 24 for details, respectively).

The Group currently does not have any interest rate hedging policy. The management of the Group monitors the Group's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate bank balances and bank borrowings at floating rates at the end of the reporting period. The analysis is prepared assuming the bank balances and bank borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 25 basis points (2024: 25 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points (2024: 25 basis points) higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2025 would increase/decrease by RMB503,000 (2024: loss for the year would decrease/increase by RMB762,000).

3 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment

At the end of the reporting period, the carrying amounts of the respective recognised financial assets stated in the consolidated statement of financial position as trade and other receivables, refundable rental deposits, pledged bank deposits and bank balances represent the Group's maximum exposure to credit risk which will cause of financial loss due to failure to discharge an obligation by the counterparties.

Trade receivables

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Following the deemed disposal of Everest Gold Group as disclosed in Note 25(i) as at 31 December 2025, no significant concentrations of credit risk have been identified across the Group's continuing operation at the end of the reporting period as there is no trade receivables as at 31 December 2025.

As at 31 December 2024, the Group has concentration of credit risk in relation to its trade receivables as shown below, these balances are mainly due from debtors with good repayment history.

	2024
Amount due from the largest debtor as a percentage to total trade receivables	37%
Total amount due from the five largest debtors as a percentage of total trade receivables	85%

3 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

Other financial assets

The Group's internal credit risk grading assessment on financial assets other than trade receivables comprises the following categories:

Internal credit rating	Description	Other financial assets/other items
Low risk	The counterparty has a low risk of default and may have any past-due amounts but usually settle after due date	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Refundable rental deposits

The credit risk arising from refundable rental deposits is limited as the Group may utilise such amount for the payment of outstanding rental expenses.

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

Pledged bank deposits and bank balances

The credit risks on pledged bank deposits and bank balances are limited because the counterparties are banks with good reputation.

As at 31 December 2025, the cash and cash equivalents were deposited in reputable financial institutions in the PRC. The Group had certain concentration of credit risk as 95.6% (2024: 99.6%) of the total of bank balances were deposited with one financial institution in the PRC. The directors of the Company do not expect any losses from non-performance by these counterparties.

3 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	31 December 2025 Gross carrying amount RMB'000	RMB'000	31 December 2024 Gross carrying amount RMB'000	RMB'000
Financial assets at amortised cost							
Trade receivables	23	Note 1	Lifetime ECL (Collective assessment)	–		56,447	
	23	Note 1	Lifetime ECL (Individually)	–		8,852	
	23	Note 1	Lifetime ECL (Individually and credit-impaired)	–	–	8,302	73,601
Refundable deposits and other receivables (included in other receivables, deposits and prepayments)	23	Low risk (Note 2)	12m ECL	–		–	
	23	Loss (Note 2)	Lifetime ECL – credit impaired	–		–	
	23	Low risk (Note 3)	12m ECL	1,858	1,858	7,187	7,187
Pledged bank deposits	24	Low risk (Note 4)	12m ECL		239,500		39,800
Bank balances	24	Low risk (Note 4)	12m ECL		232,197		526,090

3 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

Notes:

1. As at 31 December 2024, for trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors that are credit-impaired or with significant outstanding balances, the Group determines the ECL on these items by using a provision matrix.

   As part of the Group's credit risk management, the Group uses debtors' ageing to assess the impairment for its debtors except for those that with significant outstanding balances or credit-impaired. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix within lifetime ECL (not credit-impaired).

   Gross carrying amount

   Trade receivables

		2024	
	Trade receivables RMB'000	Average loss rate	Expected credit loss RMB'000
Current (not past due)	48,293	3.22%	1,554
1-30 days past due	377	5.86%	22
31-60 days past due	144	15.19%	22
61-90 days past due	113	18.84%	21
More than 90 days past due	7,520	63.32%	4,762
	56,447		6,381

   Trade receivables included in assets classified as held for sale

		2024	
	Trade receivables RMB'000	Average loss rate	Expected credit loss RMB'000
More than 90 days past due	8,225	100.00%	8,225

   The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

3 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

Notes: (Continued)

During the year ended 31 December 2025, there is no impairment allowance recognised as there is no trade receivables following the deemed disposal of Everest Gold Group.

During the year ended 31 December 2024, the Group provided RMB6,381,000 impairment allowance for trade receivables based on collective assessment. Debtors with significant outstanding balances but not credit-impaired and debtors with significant outstanding balances but credit-impaired amounted to RMB8,852,000 and RMB8,302,000 respectively, were assessed individually. During the year ended 31 December 2024, the Group provided RMB3,779,000 and RMB8,302,000 impairment allowance for both significant outstanding balances but not credit-impaired and credit-impaired respectively.

The following table shows reconciliation of loss allowances that has been recognised for trade receivables.

Trade receivables

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
At 1 January 2024	13,700	8,593	22,293
– Reclassified to loss allowance for trade receivables included in assets held for sale (Note 25(iii))	(5,699)	(433)	(6,132)
– Impairment losses recognised	2,159	142	2,301
At 31 December 2024 and 1 January 2025	**10,160**	**8,302**	**18,462**
– Deemed disposal of subsidiaries (Note 25(i))	**(10,086)**	**(8,302)**	**(18,388)**
– Written off	**(74)**	**–**	**(74)**
At 31 December 2025	**–**	**–**	**–**

Trade receivables included in assets classified as held for sale

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
At 1 January 2024	–	–	–
– Reclassified from loss allowance for trade receivables	5,699	433	6,132
– Impairment losses recognised	2,093	–	2,093
At 31 December 2024 and 1 January 2025	**7,792**	**433**	**8,225**
– Disposal of subsidiaries (Note 25(iii))	**(7,792)**	**(433)**	**(8,225)**
At 31 December 2025	**–**	**–**	**–**

3 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

Notes: (Continued)

2. As part of the Group's credit risk management, the Group uses counterparties' aging to assess the impairment. The following table provides information about the exposure to credit risk for other receivables within the discontinued operation which are assessed on a collective basis by using provision matrix within 12 month ECL or lifetime ECL for the year ended 31 December 2024.

Gross carrying amount

	2024		
	Other receivables RMB'000	Average loss rate	Expected credit loss RMB'000
Current (not past due)	1	2.63%	–
More than 90 days past due	44,015	72.30%	31,824
	44,016		31,824

The estimated loss rates are estimated based on external credit ratings and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31 December 2025, the Group provided nil (2024: RMB31,824,000) impairment allowance for other receivables based on collective assessment.

3 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk and impairment assessment (Continued)

Notes: (Continued)

The following table shows reconciliation of loss allowances that has been recognised for these other receivables.

Continuing operation

	RMB'000
As 1 January 2024	5,859
– Reclassified to discontinued operation (Note 25(iii))	(5,859)
At 31 December 2024, 1 January 2025 and 31 December 2025	–

Discontinued operations

	RMB'000
At 1 January 2024	–
– Reclassification from continuing operation	5,859
– Impairment losses recognised	25,965
At 31 December 2024 and 1 January 2025	**31,824**
– Disposal of subsidiaries (Note 25(iii))	**(31,824)**
At 31 December 2025	–

3. For refundable deposits and other receivables, the Group measures the loss allowance equal to 12m ECL. The Group applies internal credit risk management to assess whether credit risks has increased significantly since initial recognition, in which case the Group recognises lifetime ECL. The credit risk on refundable deposits and other receivables is limited having considered the credit quality of the counterparties and the probability of default is negligible. Therefore, no impairment allowance is made on these balances.

4. Pledged bank deposits and bank balances are deposited with financial institutions with high credit rating and are considered low credit risk financial assets. The directors of the Company consider these assets are short-term in nature and the probability of default is negligible as they are banks with high-credit ratings. Therefore, no impairment allowance is made on these balances.

3 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(iii) Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances and cash equivalents deemed adequate by the directors to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The directors monitor the utilisation of bank and other borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

Liquidity and interest risk tables

	Weighted average effective interest rate	On demand or less than 1 month RMB'000	1-3 months RMB'000	3 months to 1 year RMB'000	1-5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
As at 31 December 2025							
Trade, bills and other payables	–	289,444	–	–	–	289,444	289,444
Amounts due to associates	–	18,494	–	–	–	18,494	18,494
Amount due to the ultimate shareholder	–	74,719	–	–	–	74,719	74,719
Lease liabilities	3.31%	56	112	359	54	581	561
Bank and other borrowings – fixed rate	4.44%	3,769	496	71,684	–	75,949	73,500
Bank and other borrowings – variable rate	4.64%	36,500	–	–	–	36,500	36,500
		422,982	608	72,043	54	495,687	493,218
As at 31 December 2024							
Trade, bills and other payables	–	107,705	–	–	–	107,705	107,705
Amounts due to non-controlling interests	–	6,396	–	–	–	6,396	6,396
Amount due to the ultimate shareholder	–	40,010	–	–	–	40,010	40,010
Lease liabilities	4.06%	84	143	522	406	1,155	1,108
Bank and other borrowings – fixed rate	5.15%	60,425	2,545	225,740	–	288,710	281,000
Bank and other borrowings – variable rate	8.14%	35,484	5,684	80,099	–	121,267	119,921
		250,104	8,372	306,361	406	565,243	556,140

3 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(iii) Liquidity risk (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

The fair values of these financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Control over Everest Gold Group and its subsidiaries

During the year ended 31 December 2024 and up to the date of deemed disposal, Everest Gold was considered as a subsidiary of the Group although the Group has only 40.39% ownership. The Group holds 40.39% ownership of Everest Gold Group and is the single largest shareholder of Everest Gold Group. The remaining 59.61% shareholdings are mainly attributed by 8.08% of shareholdings held by a strategic individual shareholder, an aggregate 2.89% of shareholdings owned by certain directors of Everest Gold Group, 0.85% of shareholdings held by a director of the Company, and the rest 47.79% shareholdings held by public shareholders that are unrelated to the Group.

The directors of the Company assessed whether the Group has control over Everest Gold Group based on whether the Group has the practical ability to direct the relevant activities of Everest Gold Group unilaterally. In making the judgment, the directors of the Company considered the Group's absolute size of holding in Everest Gold Group, the relative size of and dispersion of the shareholdings owned by the other shareholders, voting patterns at previous shareholders' meetings and the relevant voting arrangements with certain shareholders of Everest Gold Group. In addition, none of the above other shareholders, other than the Group, has any arrangements to consult any of the others or make collective decisions. Hence, when assessing the proportion of voting rights to acquire, on the basis of the relative size of the other shareholdings, the directors of the Company determined and concluded that 40.39% shareholdings dominate voting interest would be sufficient to give it control over Everest Gold Group and direct the relevant activities of Everest Gold Group.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Control over Everest Gold Group and its subsidiaries (Continued)

At the extraordinary general meeting held on 23 December 2025, Everest Gold Group approved the allotment of up to 247,500,000 ordinary shares at HK$1.61 each to certain subscribers. This would reduce the Group's effective equity interest from 40.39% to 33.66% upon full allotment, resulting in the loss of control over Everest Gold Group and the Company ceasing to account for it as a subsidiary.

On 31 December 2025, Everest Gold Group completed a partial allotment of 21,700,000 ordinary shares, which diluted the Group's effective equity interest from 40.39% to 39.70%. Although only a partial allotment was made, management considered that the Group had lost control over Everest Gold Group and accordingly ceased to account for it as a subsidiary as at 31 December 2025.

Allowance for inventories

Inventories are valued at the lower of cost and net realisable value. The management regularly reviews its inventory levels and ageing analysis in order to identify potential valuation problem of inventories. The management estimates the net realisable value of those inventories based primarily on the current market conditions and subsequent selling price and market quotations of similar inventory items. The Group makes allowance for inventory when the Group identifies items of inventories which have a net realisable value that is lower than its carrying amount.

Provision of ECL for trade and other receivables

The Group uses provision matrix to calculate ECL for certain of its trade and other receivables. The provision rates are based on historical default rates of various debtors that have similar loss patterns. The provision matrix is based on the shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers, taking into consideration forward-looking information that is reasonable and supportable available without undue cost or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables that are credit-impaired or with significant outstanding balances are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the trade and other receivables and the Group's ECL are disclosed in Notes 3 and 23, respectively.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

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

Property, plant and equipment, right-of-use assets and intangible assets with a finite useful life are stated at costs less accumulated depreciation and accumulated amortisation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. In estimating the future cash flows, the management of the Group takes into account the exploration potentials, production costs and operating costs. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belong, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

5 SEGMENT INFORMATION

The Group has one operating and reportable segment (2024: two segments). Management determines the operating segment based on information reported to the chief operating decision makers ("**CODM**") (i.e. the executive directors of the Company). The CODMs assess the operating performance and allocate the resources of the Group as a whole as the Group is primarily engaged in the business of manufacturing, sales and trading of silver ingots, palladium and other non-ferrous metals in the PRC ("**Manufacturing segment**"). Accordingly, there is only one operating and reportable segment.

The operations of New Jewellery Retail segment and Fresh Food Retail segment of the Group were discontinued and disposed during the year ended 31 December 2025. The segment information reported on the next pages does not include any amounts for the discontinued operations, which are described in more details in Note 25.

5 SEGMENT INFORMATION (Continued)

(a) Geographical information

The Group's operations are located in the mainland of the PRC. Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2025	2024	**2025**	2024
	RMB'000	RMB'000 (Restated)	**RMB'000**	RMB'000
Continuing operation				
The mainland of the PRC	**3,063,300**	4,156,144	**1,203,051**	123,645
Hong Kong	**–**	–	**544**	1,123
	3,063,300	4,156,144	**1,203,595**	124,768

Note: Non-current assets excluded deferred tax assets.

(b) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the Group's total revenue is as follows:

	2025	2024
	RMB'000	RMB'000
Customer A#	**1,760,464**	1,142,134
Customer B#	**864,174**	993,699

Revenue from sales of silver ingot.

6 REVENUE

i) Disaggregation of revenue from contracts with customers

	2025 RMB'000	2024 RMB'000 (Restated)
Continuing operation		
Sales of silver ingots	**3,063,300**	4,156,144

All of the revenue are recognised at a point in time during the years ended 31 December 2025 and 2024.

ii) Performance obligations for contracts with customers

The Group sells silver ingots, palladium and other non-ferrous metals directly to customers.

Revenue is recognised when control of the goods has been transferred, being when the goods have been delivered to the customer's specific location. The Group generally requires advance payment from customers before delivery of goods.

Under the Group's standard contract terms, customers have a right to exchange for dissimilar products within 10 days. The Group uses its accumulated historical experience to estimate the number of exchanges on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. A contract liability is recognised for sales in which revenue has yet been recognised. The Group's right to recover the product when customers exercise their right is recognised as a right to returned goods asset and corresponding adjustment to cost of sales.

iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All contracts with customers for the Group are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

7 OTHER INCOME, NET

	2025 RMB'000	2024 RMB'000 (Restated)
Continuing operation		
Release of deferred income (Note 32)	**714**	714
Government grants (Note)	**4,484**	–
Bank interest income	**224**	1,198
Sales of scrap material	**–**	754
Others	**378**	268
	5,800	2,934

Note: For the year ended 31 December 2025, government grants were received from the local government of the PRC as an incentives for foreign-invested manufacturing projects (2024: nil) by the Group. There are no unfulfilled conditions attached to the grants.

8 OTHER GAINS AND (LOSSES), NET

	2025 RMB'000	2024 RMB'000 (Restated)
Continuing operation		
Net exchange gain (loss)	**2,071**	(2,135)
Loss on write-off and disposal of property, plant and equipment	**–**	(321)
	2,071	(2,456)

9 RESEARCH AND DEVELOPMENT EXPENSES FROM CONTINUING OPERATION

Research and development expenses mainly represent expenses for specific research, staff costs and technical consultation fees incurred for the enhancement of production techniques.

10 FINANCE COSTS

	2025 RMB'000	2024 RMB'000 (Restated)
Continuing operation		
Interest on bank and other borrowings	11,988	21,212
Interest on lease liabilities	49	20
	12,037	21,232

11 INCOME TAX EXPENSE (CREDIT)

	2025 RMB'000	2024 RMB'000 (Restated)
Continuing operation		
The PRC Enterprise Income Tax ("**EIT**")		
– current year	116	–
– over-provision in respect of prior years	–	(2,528)
	116	(2,528)
Deferred taxation – current year	214	426
	330	(2,102)

The Group had no assessable profits subject to tax in any jurisdictions other than the PRC for both years.

Under the Law of the PRC on EIT (the "**EIT Law**") and its related implementation regulations, the Group's PRC subsidiaries are subject to the PRC EIT at the statutory rate of 25% from 1 January 2008 onward.

11 INCOME TAX EXPENSE (CREDIT) (Continued)

The income tax expense (credit) for the year can be reconciled to the profit before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Profit before income tax	12,947	16,628
Tax at the domestic income tax rate of 25% (2024: 25%)	3,237	4,157
Tax effect of expenses not deductible for tax purpose	10,205	3,158
Tax effect of income not taxable for tax purpose	(25)	(2)
Tax effect of tax losses not recognised	–	71
Tax effect of utilisation of tax losses previously not recognised	(13,241)	(7,124)
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	154	166
Overprovision in respect of prior years	–	(2,528)
Income tax expense (credit) for the year	330	(2,102)

Details of deferred tax recognised are set out in Note 21.

12 PROFIT FOR THE YEAR

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

	2025 RMB'000	2024 RMB'000 (Restated)
Continuing operation		
Directors' emoluments (Note 13)	1,935	4,652
Other staff costs:		
– Salaries and other allowances	4,254	4,145
– Retirement benefit scheme contributions	671	762
Total staff costs	6,860	9,559
Auditor's remuneration	1,052	1,062
Cost of inventories recognised as expenses (included in cost of sales)	2,991,131	4,093,459
Amortisation of intangible assets	362	362
Depreciation of property, plant and equipment	9,931	11,079
Depreciation of right-of-use assets	1,085	1,074
Share-based payment expenses	28,389	–

13 DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

i) Director's and Chief Executive's emoluments

	Directors' fees RMB'000	Salaries and allowances RMB'000	Bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
For the year ended 31 December 2025					
Executive directors					
Mr. Chen Wantian	184	157	–	47	388
Mr. Song Guosheng	184	806	–	5	995
	368	963	–	52	1,383

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

	Directors' fees RMB'000	Salaries and allowances RMB'000	Bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
For the year ended 31 December 2025					
Independent non-executive directors					
Dr. Zeng Yilong	184	–	–	–	184
Mr. Song Hongbing	184	–	–	–	184
Ms. Song Fangxiu (Note 2)	184	–	–	–	184
	552	–	–	–	552
Total	920	963	–	52	1,935

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

13 DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

i) Director's and Chief Executive's emoluments (Continued)

	Directors' fees RMB'000	Salaries and allowances RMB'000	Bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
For the year ended 31 December 2024					
Executive directors					
Mr. Chen Wantian	1,108	157	–	27	1,292
Mr. Song Guosheng	924	806	–	5	1,735
Mr. Liu Jiandong (Note 1)	451	606	–	14	1,071
	2,483	1,569	–	46	4,098

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

	Directors' fees RMB'000	Salaries and allowances RMB'000	Bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
For the year ended 31 December 2024					
Independent non-executive directors					
Dr. Li Haitao (Note 1)	166	–	–	–	166
Dr. Zeng Yilong	185	–	–	–	185
Mr. Song Hongbing	185	–	–	–	185
Ms. Song Fangxiu (Note 2)	18	–	–	–	18
	554	–	–	–	554
Total	3,037	1,569	–	46	4,652

Notes:

1) Resigned on 25 November 2024.

2) Appointed on 25 November 2024.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

13 DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

i) Director's and Chief Executive's emoluments (Continued)

During the year ended 31 December 2025, none of the directors of the Company (i) received or were paid any remuneration in respect of accepting office; and (ii) waived or has agreed to waive any emolument (2024: nil).

During the year ended 31 December 2025, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable. No consideration was provided to or receivable by third parties for making available directors' services (2024: nil).

There is no loans, quasi-loans and other dealings in favour of directors, controlled body corporates by and connected entities with such directors (2024: nil).

During the year ended 31 December 2025, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: nil).

ii) Employees

One director of the Company was included in the Group's five highest paid individuals for the year ended 31 December 2025 (2024: three). The emoluments of the remaining four (2024: two) individuals are as follows:

	2025 **RMB'000**	2024 RMB'000
Salaries and allowance	**2,149**	1,368
Bonus	**–**	–
Retirement benefit scheme contributions	**64**	48
	2,213	1,416

Their emoluments were within the following band:

	2025 **Number of employees**	2024 Number of employees
Nil to HK$1,000,000	**4**	2

No emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during both years. None of the directors of the Company waived or agreed to waive any emolument during both years.

14 DIVIDENDS

No dividends were paid, declared or proposed for ordinary shareholders of the Company for both years, nor has any dividend been proposed since the end of the reporting period.

15 EARNINGS PER SHARE

The calculations of the basic and diluted earnings per share attributable to owners of the Company are based on the following data:

	2025	2024 (Restated)
Profit (loss) ***(RMB'000)***		
Profit for the year attributable to the owners of the Company from continuing operation for the purposes of basic and diluted earnings per share	**12,617**	18,730
Profit (loss) for the year attributable to the owners of the Company from discontinued operations for the purposes of basic and diluted earnings (loss) per share	**573,712**	(8,764)
Profit (loss) for the year attributable to the owners of the Company for the purposes of basic and diluted earnings (loss) per share	**586,329**	9,966
Number of shares ***(in thousand)***		
Weighted average number of ordinary shares in issue for the purposes of basic and diluted earnings per share	**2,390,437**	1,954,081
Basic and diluted earnings (loss) per share ***(RMB)***		
From continuing operation attributable to the owners of the Company	**0.005**	0.010
From discontinued operation	**0.240**	(0.005)
Total basic and diluted earnings per share attributable to the owners of the Company	**0.245**	0.005

During the year ended 31 December 2025, the Company issued 234,212,000 ordinary shares to the trust for the purposes of the share award scheme. These shares were treated as treasury shares and excluded from the weighted average number of ordinary shares outstanding for the period.

As at 31 December 2025, the Group had potential dilutive shares in connection with its share award scheme. The share award could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per shares because they are anti-dilutive for the period. As at 31 December 2024, the Group had no share award scheme in place.

During years ended 31 December 2024 and 2025, the computation of diluted earnings per share does not assume the exercise of the Company's outstanding options because the effect of exercise of these options was anti-dilutive. All of the Company's outstanding share options lapsed during the year ended 31 December 2025.

16 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement RMB'000	Buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Cost							
As at 1 January 2024	29,979	154,156	60,681	3,309	12,052	331	260,508
Additions	–	–	–	–	1,246	–	1,246
Written off and disposal	–	–	(586)	(142)	–	–	(728)
Reclassified as held for sale (Note 25)	–	–	–	(304)	–	(331)	(635)
As at 31 December 2024 and 1 January 2025	29,979	154,156	60,095	2,863	13,298	–	260,391
Additions	6,607	–	–	–	1,184	–	7,791
Addition upon acquisition of subsidiaries (Note 38)	–	79,895	–	–	160	–	80,055
Written off and disposal	(13,549)	–	–	(151)	–	–	(13,700)
Deemed disposal of subsidiaries (Note 25)	(13,371)	(79,895)	(1,698)	(943)	(6,907)	–	(102,814)
As at 31 December 2025	9,666	154,156	58,397	1,769	7,735	–	231,723
Depreciation							
As at 1 January 2024	22,758	78,174	33,412	2,908	10,223	–	147,475
Provided for the year	2,974	7,500	3,616	145	401	–	14,636
Written off and disposal	–	–	(272)	(135)	–	–	(407)
Reclassified as held for sale (Note 25)	–	–	–	(228)	–	–	(228)
As at 31 December 2024 and 1 January 2025	25,732	85,674	36,756	2,690	10,624	–	161,476
Provided for the year	1,394	8,849	2,513	21	754	–	13,531
Written off and disposal	(10,839)	–	–	(143)	–	–	(10,982)
Released upon deemed disposal of subsidiaries (Note 25)	(6,621)	(1,348)	(975)	(799)	(4,119)	–	(13,862)
As at 31 December 2025	9,666	93,175	38,294	1,769	7,259	–	150,163
Carrying values							
As at 31 December 2025	–	60,981	20,103	–	476	–	81,560
As at 31 December 2024	4,247	68,482	23,339	173	2,674	–	98,915

The Group's buildings are erected on land held under medium-term land use rights in the PRC.

Other than construction in progress, the above items of property, plant and equipment, after taking into account their estimated residual values, are depreciated on a straight-line method, at the following useful lives or at the following rates per annum:

Leasehold improvements	5 years or the term of the relevant land lease, whichever is shorter
Buildings	20 years or the term of the relevant land lease, whichever is shorter
Plant and machinery	10%
Office equipment	20%
Motor vehicles	20%

The Group has pledged buildings with a carrying value of approximately RMB46,665,000 (2024: RMB49,948,000) to secure general banking facilities set out in Notes 30 and 36 for the year ended 31 December 2025.

17 RIGHT-OF-USE ASSETS

	Leased properties RMB'000 (Note i)	Leasehold land RMB'000 (Notes ii and iii)	Total RMB'000
At 31 December 2025			
Carrying amount	**544**	**14,721**	**15,265**
At 31 December 2024			
Carrying amount	1,123	17,934	19,057
For the year ended 31 December 2025			
Depreciation change	**996**	**492**	**1,488**
Total cash outflow for leases	**1,223**	**–**	**1,223**
Additions to right-of-use assets	**607**	**–**	**607**
Deemed disposal of subsidiaries (Note 25)	**(190)**	**(2,721)**	**(2,911)**
For the year ended 31 December 2024			
Depreciation change	3,575	455	4,030
Expenses relating to			
– short term leases	2,004	–	2,004
Total cash outflow for leases	2,305	–	2,305
Additions to right-of-use assets	1,350	–	1,350
Reclassified as held for sale (Note 25)	1,362	–	1,362
Additions upon acquisition of a subsidiary (Note 38)	–	2,799	2,799

Notes:

i) The Group leases office premises, showrooms, warehouses and retail shops for its operations. Majority of lease contracts are entered into for lease term of two years (2024: two years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

ii) During the year ended 31 December 2025, the Group has pledged leasehold land with a carrying value of RMB14,721,000 (2024: RMB15,155,000) to secure general banking facilities granted to the Group set out in Notes 30 and 36.

iii) In addition, the Group owns office buildings and several industrial buildings where its manufacturing facilities are primarily located. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably. Respective building components of these owned properties are classified under property, plant and equipment set out in Note 16.

The Group regularly entered into short-term leases for office premises and retail shops. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses as disclosed above.

18 INTANGIBLE ASSETS

	Patent RMB'000 (Note i)	System software RMB'000 (Note ii)	Platform RMB'000 (Note iii)	License RMB'000 (Note iv)	Exploration rights and assets RMB'000 (Note v)	Total RMB'000
Cost						
As at 1 January 2024	6,000	8,794	6,970	1,800	–	23,564
Addition upon acquisition of a subsidiary (Note 38)	–	–	–	–	472	472
Addition	–	–	–	–	4,997	4,997
Written off	–	–	–	(1,800)	–	(1,800)
Reclassified as held for sale (Note 25)	–	–	(6,970)	–	–	(6,970)
At 31 December 2024 and 1 January 2025	**6,000**	**8,794**	**–**	**–**	**5,469**	**20,263**
Addition	**54**	**–**	**–**	**–**	**49,974**	**50,028**
Addition upon acquisition of a subsidiary (Note 38)	**–**	**–**	**–**	**–**	**9,868**	**9,868**
Deemed disposal of subsidiaries (Note 25)	**–**	**(8,794)**	**–**	**–**	**(65,311)**	**(74,105)**
As at 31 December 2025	**6,054**	**–**	**–**	**–**	**–**	**6,054**
Amortisation and impairment						
As at 1 January 2024	4,311	8,794	1,549	–	–	14,654
Provided for the year	362	–	774	–	–	1,136
Reclassified as held for sale (Note 25)	–	–	(2,323)	–	–	(2,323)
As at 31 December 2024 and 1 January 2025	**4,673**	**8,794**	**–**	**–**	**–**	**13,467**
Provided for the year	**362**	**–**	**–**	**–**	**–**	**362**
Released upon deemed disposal of subsidiaries (Note 25)	**–**	**(8,794)**	**–**	**–**	**–**	**(8,794)**
As at 31 December 2025	**5,035**	**–**	**–**	**–**	**–**	**5,035**
Carrying values						
As at 31 December 2025	**1,019**	**–**	**–**	**–**	**–**	**1,019**
As at 31 December 2024	1,327	–	–	–	5,469	6,796

Notes:

i) The intangible asset represents a patent acquired for certain production techniques with a registered life up to August 2028. The intangible asset is amortised on a straight-line basis over the useful life, i.e. 9.7 years.

ii) System software represents software acquired for online trading and exchange platform and is stated at cost less accumulated amortisation and any accumulated impairment losses. The system software is amortised on a straight-line basis over a period of 2 to 10 years. As at 31 December 2025, the system software has been ceased to be consolidated into the Group's financial statements following the completion of deemed disposal of Everest Gold Group as disclosed in Note 25(i).

iii) Platform acquired as part of a business combination under Fresh Food Retail segment. The intangible asset is amortised on a straight-line basis over its estimated useful lives of 9 years and RMB4,647,000 was disposed of as held for sale as disclosed in Note 25 (iii) during the year ended 31 December 2024.

iv) The licence acquired through acquisition of a subsidiary in 2017 continuously and has the ability to do so at minimal cost. For the year ended 31 December 2024, the management decided to write off the license as the Group had decided not to renew it. The licence is expired during the year ended 31 December 2024.

v) The exploration right acquired as part of an acquisition of assets under Tibet Longtianyong Mining Company Limited* (西藏龍天勇礦業有限公司) ("**Tibet Longtianyong**") is stated at cost less impairment losses. As at 31 December 2025, the exploration right has been ceased to be consolidated into the Group's financial statements following the completion of deemed disposal of Everest Gold Group as disclosed in Note 25(i).

* For identification purpose only.

19 INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Cost of investments	1,105,751	–
Share of post-acquisition results	–	–
	1,105,751	–

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of entities	Place of incorporation/ establishment	Place of operation	Proportion of ownership interest held by the Group 2025	Proportion of ownership interest held by the Group 2024	Principal activities
Everest Gold Group (Note i)	The Cayman Islands	The PRC	39.7%	–	Design and sale of gold, silver, colored gemstones, gem-set, and other jewellery products
江西藝鼎貿易有限公司 Jiangxi Yiding Trading Company Limited* ("**Jiangxi Yiding**") (Note ii)	The PRC	The PRC	20.0%	–	Investment holding
西藏日喀則市華冶礦業開發有限責任公司 Xizang Shigatse Huaye Mining Development Company Limited* ("**Xizang Shigatse**") (Note iii)	The PRC	The PRC	20.0%	–	Non-ferrous Metal Mining non-ferrous metals for processing and sales

* The English name is for identification only.

Notes:

i) As explained in Note 4, Everest Gold and its subsidiaries became associates of the Group with effect from 31 December 2025. The fair value of the equity interest retained in the Everest Gold Group on the date when control was lost amounting to HK$1,220,000,000 (equivalent to RMB1,103,856,000) is recognised as the deemed cost of investment in an associate. See Note 25(i) for details.

Comprehensive information on Everest Gold Group (stock code: 1815.HK) is available in the annual report published on the website of the Stock Exchange.

ii) On 18 July 2025, the Group completed the acquisition of a 55% equity interest (20% is directly owned by the Group's wholly owned subsidiary, while 35% is indirectly owned through Everest Gold Group) in Jiangxi Yiding Trading Company Limited and its subsidiary ("**Yiding Group**"). Upon the completion of the deemed disposal of Everest Gold Group, the Company's indirect interest in Jiangxi Yiding has been reduced from 55% to 20% and the interests is classified as investments in associates. See Notes 25(ii) and 38(i)(a) for details.

iii) Xizang Shigatse is a wholly-owned subsidiary of Jiangxi Yiding.

19 INVESTMENTS IN ASSOCIATES (Continued)

(a) Everest Gold Group

	2025 RMB'000
The Group's share of net assets	1,018,034
Goodwill at date of deemed acquisition of the associates	85,822
Cost of investments in associates	1,103,856

Summarised financial information in respect of Everest Gold Group, representing amounts shown in its financial statements prepared in conformity with IFRS Accounting Standards is as below:

	2025 RMB'000
Non-current assets	144,949
Current assets	1,733,748
Current liabilities	(367,144)
Net assets attributable to owners of Everest Gold Group	1,511,553

Reconciliation of the above summarised financial information to the carrying amount of the investments in associates recognised in the consolidated financial statements:

	2025 RMB'000
Net assets attributable to owners of the Everest Gold Group	1,511,553
Fair value adjustment for inventories	1,052,765
	2,564,318
Proportion of the Group's equity interest in the associates	39.70%
The Group's share of net assets	1,018,034

As Everest Gold Group ceased to be subsidiaries of the Group and became associates on 31 December 2025 which is the financial year-end date, the Group did not share any profit or loss of Everest Gold Group for the year ended 31 December 2025.

19 INVESTMENTS IN ASSOCIATES (Continued)

(b) Aggregate information of associates that are not individually material

	2025 RMB'000
The Group's share of profit	–
Aggregate carrying amount of the Group's interests in these associates	1,895

20 GOODWILL

	RMB'000
Cost	
As at 1 January 2024	12,476
Reclassified as held for sale (Note 25 (iii))	(12,476)
As at 31 December 2024, 1 January 2025 and 31 December 2025	–
Impairment	
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	–
Carrying values	
As at 31 December 2025	–
As at 31 December 2024	–

Goodwill from acquisition of Jiangsu Nongmuren Electronic Business Corp.* (江蘇農牧人電子商務股份有限公司) ("**Jiangsu Nongmuren**") was allocated to the Group's cash-generating unit of integrated online-and-offline sales of fresh food in the PRC. The goodwill has been reclassified to the assets of a disposal group classified as held for sale as disclosed in Note 25 (iii) during the year ended 31 December 2024.

* The English name is for identification purpose only.

21 DEFERRED TAXATION

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

	2025 RMB'000	2024 RMB'000
Deferred tax assets	**342**	4,932

The followings are the major deferred tax assets recognised and movements thereon during the current and prior years:

	Deferred income RMB'000	Unrealised profit RMB'000	ECL provision RMB'000	Fair value adjustments on business combination RMB'000	Total RMB'000
At 1 January 2024	699	1,464	2,546	(1,355)	3,354
(Charged) credited to profit or loss	(178)	(139)	540	194	417
Reclassified as held for sale (Note 25 (iii))	–	–	–	1,161	1,161
At 31 December 2024 and 1 January 2025	**521**	**1,325**	**3,086**	**–**	**4,932**
Charged to profit or loss	**(179)**	**(812)**	**(38)**	**–**	**(1,029)**
Deemed disposal of subsidiaries (Note 25(i))	**–**	**(513)**	**(3,048)**	**–**	**(3,561)**
At 31 December 2025	**342**	**–**	**–**	**–**	**342**

At the end of the reporting period, the Group does not have unused tax losses arising in Hong Kong (2024: HK$4,307,000 (equivalent to approximately RMB3,711,000)) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to unpredictability of future profit streams. All losses may be carried forward indefinitely.

As at 31 December 2025, the Group has tax losses arising in the PRC of RMB2,346,560,000 (2024: RMB2,450,002,000) available for offset against future profits that will expire in various dates in next five years (2024: five years). No deferred tax asset has been recognised in respect of the tax losses due to unpredictability of future profit streams.

21 DEFERRED TAXATION (Continued)

Under the EIT Law, withholding tax is imposed on dividends payable to non-PRC shareholders which is declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries amounting to nil as at 31 December 2025 (2024: RMB444,200,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

22 INVENTORIES

	2025 **RMB'000**	2024 RMB'000
Raw materials (Note)	**5**	468,417
Finished goods	**184,763**	643,449
	184,768	1,111,866

Note: As at 31 December 2025, the carrying amounts of raw materials aged less than 1 year and over 1 year are nil (2024: RMB2,633,000) and RMB5,000 (2024: RMB465,784,000), respectively.

23 TRADE AND OTHER RECEIVABLES

	2025 **RMB'000**	2024 RMB'000
Trade receivables for contracts with customers (Note i)	**–**	73,601
Less: allowance for expected credit losses in respect of trade receivables	**–**	(18,462)
	–	55,139
Other receivables, deposits and prepayments	**1,844**	26,864
Prepayments to suppliers (Note ii)	**–**	51,015
Value-added tax ("**VAT**") recoverable	**273**	6,572
Refundable rental deposits	**156**	952
	2,273	140,542

Notes:

i) The Group generally requires advance payment from its manufacturing customers before delivery of goods. As a result, no outstanding trade receivables arise from the manufacturing operation as at 31 December 2025.

ii) The balance represents prepayments for purchase of inventories under the Group's Manufacturing and New Jewellery Retail segments as at 31 December 2024.

23 TRADE AND OTHER RECEIVABLES (Continued)

The ageing analysis of the Group's trade receivables net of allowance for credit losses presented based on the invoice dates at the end of the reporting period is as follows:

	2025	2024
	RMB'000	RMB'000
0 to 30 days	–	45,660
31 to 60 days	–	744
61 to 90 days	–	305
Over 90 days	–	8,430
	–	55,139

As at 31 December 2024, included in the Group's trade receivables, net of allowance of credit losses, were debtors with an aggregate carrying amount of RMB9,582,000 which were past due as at the reporting date. Out of the past due balances, RMB8,330,000 has been past due 90 days or more and is not considered as in default as the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade receivables, other receivables and refundable deposits are set out in Note 3.

24 PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

As at 31 December 2025, pledged bank deposits amounting to RMB239,500,000 (2024: RMB39,800,000) carry a fixed interest rate of 0.00%-1.3% (2024: 0.00%-5.10%) per annum and represent deposits pledged to a bank to secure bills payables (see Note 26) of the Group. The bills payables are due for repayment within one year from the end of the reporting period, and thus the pledged bank deposits are classified as current assets.

Bank balances and cash of the Group comprise cash and short-term bank deposits with maturity of three months or less. The restricted bank balances, pledged bank deposits and bank balances carry interest at prevailing market rates as follows:

	2025 **RMB'000**	2024 RMB'000
Range of interest rates per annum		
Bank balances	**0.00%-0.2%**	0.00%-0.25%
Pledged bank deposits	**0.00%-1.3%**	0.10%-5.10%

The above bank balances and cash that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

	2025 **RMB'000**	2024 RMB'000
United States dollar	**223**	4
Hong Kong dollar	**531**	287
	754	291

25 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES

	2025 **RMB'000**	2024 RMB'000 (Restated)
Profit for the year from Everest Gold Group (Note 25(i))	**60,189**	3,677
Loss for the period from Yiding Group (Note 25(ii))	**(525)**	–
Loss for the period/year from Nongmuren Group (Note 25(iii))	**–**	(44,609)
Gain on deemed disposal of Everest Gold Group (Note 25(i))	**537,218**	–
Gain on deemed disposal of Yiding Group (Note 25(ii))	**–**	–
Gain on disposal of Nongmuren Group (Note 25(iii))	**11,465**	–
Profit (loss) for the year from discontinued operations	**608,347**	(40,932)

25 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES (Continued)

(i) Deemed disposal of Everest Gold Group

After considered the change in the Group's effective equity interest in Everest Gold Group as disclosed in Note 4, the directors of the Company considered the Group can no longer exercise control over Everest Gold Group since 31 December 2025. As the Everest Gold Group is mainly engaged in the design and sale of gold, silver, colored gemstones, gem-set, and other jewellery products, the directors of the Company considered the operation of the Everest Gold Group to be a discontinued operation. Details of the discontinued operation are set out below. Intra-group adjustment has been adjusted to the financial performance and cash flow information of the discontinued operation.

The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the operation in the Everest Gold Group as a discontinued operation. Financial information related to the new jewellery retail segment for the years ended 31 December 2025 and 2024, which has been included in the consolidated statement of profit or loss and other comprehensive income, is as follows:

(a) Financial performance and cash flow information

	2025	2024
	RMB'000	RMB'000
Profit for the year from discontinued operation	**60,189**	3,677
Gain on deemed disposal of subsidiaries (Note 25(i)(b))	**537,218**	–
Profit for the year from discontinued operation	**597,407**	3,677

25 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES (Continued)

(i) Deemed disposal of Everest Gold Group (Continued)

(a) Financial performance and cash flow information (Continued)

	2025 RMB'000	2024 RMB'000
Revenue	**486,969**	157,570
Cost of sales	**(276,286)**	(109,162)
Gross profit	**210,683**	48,408
Other income, net	**978**	2,806
Other gains and (losses), net	**251**	(89)
Selling and distribution expenses	**(22,685)**	(15,482)
Administrative expenses	**(86,275)**	(23,015)
Reversal of (provision for) impairment loss under expected credit loss model, net	**152**	(2,301)
Share of losses of associates	**(184)**	–
Finance costs	**(4,534)**	(5,407)
Profit before income tax	**98,386**	4,920
Income tax expense	**(38,381)**	(1,243)
Profit for the year from discontinued operation	**60,005**	3,677
Profit and total comprehensive income for the year attributable to:		
Owners of the Company	**24,899**	4,275
Non-controlling interests	**35,106**	(598)
	60,005	3,677

25 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES (Continued)

(i) Deemed disposal of Everest Gold Group (Continued)

(a) Financial performance and cash flow information (Continued)

	2025 RMB'000	2024 RMB'000
Profit for the year from discontinued operation includes the following:		
Other staff costs:		
– Salaries and other allowances	**14,189**	12,981
– Retirement benefit scheme contributions	**1,391**	1,319
Total staff costs	**15,580**	14,300
Auditor's remuneration	**1,052**	1,062
Cost of inventories recognised as expenses (including in cost of sales)	**276,286**	109,162
Depreciation of property, plant and equipment	**3,583**	3,495
Depreciation of right-of-use assets	**403**	1,698
Share-based payment expenses	**56,461**	–
Write-off of property, plant and equipment	**2,718**	–
Expenses relating to short-term leases	**1,545**	2,304
Cash flows from discontinued operation:		
Net cash inflows from operating activities	**184,235**	33,665
Net cash outflows from investing activities	**(74,081)**	(21,960)
Net cash inflows (outflows) from financing activities	**68,237**	(1,305)
Net increase in cash and cash equivalent in the discontinued operation	**178,391**	10,400

25 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES (Continued)

(i) Deemed disposal of Everest Gold Group (Continued)

(b) Details of the deemed disposal of subsidiaries

	RMB'000
Deemed consideration:	
Fair value of the equity interest retained in the Everest Gold Group, based on share price of Everest Gold Group at the date of deemed disposal (Note 19(a))	1,103,856
The net assets disposed of are as follows:	
Property, plant and equipment	88,809
Right-of-use assets	2,911
Intangible assets	46,352
Deferred tax assets	3,561
Investments in associates	3,316
Inventories	973,909
Trade and other receivables	129,815
Amounts due from related companies	18,494
Amounts due from associates	3,375
Bank balances and cash	608,155
Trade and other payables	(201,393)
Lease liabilities	(197)
Contract liabilities	(3,932)
Amounts due to related companies	(8,495)
Amounts due to non-controlling interests	(10,264)
Income tax payable	(26,233)
Bank borrowings	(116,630)
	1,511,553
Gain on deemed disposal of subsidiaries:	
Net assets disposed	(1,511,553)
Non-controlling interests	944,907
Reclassification of cumulative translation reserve upon deemed disposal to profit of loss	8
Fair value of the equity interest retained in Everest Gold Group, based on share price of Everest Gold Group at the date of deemed disposal (Note 19(a))	1,103,856
Gain on deemed disposal of subsidiaries (Note 25(i)(a))	537,218

25 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES (Continued)

(i) Deemed disposal of Everest Gold Group (Continued)

(b) Details of the deemed disposal of subsidiaries (Continued)

Analysis of net cash flow in respect of the deemed disposal of subsidiaries is as follow:

	RMB'000
Net cash outflow arising on deemed disposal:	
Cash and cash equivalents disposed of	608,155

(ii) Disposal of Yiding Group

On 18 July 2025, the Group completed the acquisition of 55% equity interest (20% is directly owned by the Group's wholly-owned subsidiary, while 35% is indirectly owned through Everest Gold Group) in Jiangxi Yiding, which became a non-wholly-owned subsidiary of the Group. Xizang Shigatse is a wholly-owned subsidiary of Jiangxi Yiding and is primarily engaged in lead and zinc mine exploration. See Note 38(i)(a) for details.

Following the deemed disposal of Everest Gold Group, the investment in Jiangxi Yiding changed from a non-wholly-owned subsidiary to an associate, as the Group's equity interest decreased from 55% to 20% ("Disposal Group").

25 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES (Continued)

(ii) Disposal of Yiding Group (Continued)

(a) Financial performance and cash flow information

	18 July 2025 to 31 December 2025 RMB'000
Loss for the period from Disposal Group	(525)
Gain on deemed disposal of subsidiaries (Note 25(ii)(b))	–
Loss for the period from Disposal Group	(525)
Administrative expenses	(525)
Loss before income tax	(525)
Income tax expense	–
Loss for the period from Disposal Group	(525)
Loss and total comprehensive expense for the period attributable to:	
Owners of the Company	(289)
Non-controlling interests	(236)
	(525)
Loss for the period from Disposal Group includes the following:	
Depreciation of property, plant and equipment	17
Cash flows from Disposal Group:	
Net cash inflows from operating activities	6,980
Net cash outflows from investing activities	(9,090)
Net cash inflows from financing activities	2,119
Net increase in cash and cash equivalents in the Disposal Group	9

25 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES (Continued)

(ii) Disposal of Yiding Group (Continued)

(b) Details of the deemed disposal of subsidiaries

	RMB'000
Deemed consideration:	
Fair value of the equity interest retained in the Yiding Group	1,895
The net assets disposed of are as follows:	
Property, plant and equipment	143
Intangible assets	18,959
Trade and other receivables	2,800
Bank balances and cash	36
Trade and other payables	(9,088)
Amounts due to related companies	(3,375)
	9,475
Gain on deemed disposal of subsidiaries:	
Net assets disposed	(9,475)
Non-controlling interests	4,264
Interest held by Everest Gold Group	3,316
Fair value of the equity interest retained in Yiding Group	1,895
Gain on deemed disposal of subsidiaries	–

(iii) Disposal of Nongmuren Group

Shenzhen Guojintongbao Company Limited* (深圳國金通寶有限公司) ("Shenzhen Guojintongbao" which is a wholly-owned subsidiary of the Group) entered into an equity transfer agreement with an independent third party, Shanghai Xinding Metallic Materials Co., Ltd* (上海鑫鼎金屬材料有限公司) ("Shanghai Xinding") in relation to the disposal of entire equity interest of an indirect non-wholly-owned subsidiary, Shenzhen Xiansheng Zhanggui Technology Co., Ltd.* (深圳鮮生掌櫃科技有限公司) (together with its subsidiaries, the "Nongmuren Group" or the "Disposal Group") which constituted the fresh food retail segment of the Group, for a consideration of RMB300,000. The disposal transaction was completed on 13 January 2025.

25 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES (Continued)

(iii) Disposal of Nongmuren Group (Continued)

Following the disposal of Nongmuren Group, the Group discontinued its operation in sales of fresh food. There was no income or expenses recorded in relation to the fresh food retail segment for the period from 1 January 2025 to 13 January 2025. Financial information related to the fresh food retail segment for the year ended 31 December 2024, which has been included in the consolidated statement of profit or loss and other comprehensive income, is as follows:

(a) Financial performance and cash flow information

	For the period from 1 January 2025 to 13 January 2025 RMB'000	For the year ended 31 December 2024 RMB'000
Loss for the period/year from discontinued operation	**–**	(44,609)
Gain on disposal of subsidiaries (Note 25(iii)(b))	**11,465**	–
Profit (loss) for the period/year from discontinued operation	**11,465**	(44,609)

	2024 RMB'000
Revenue	2,667
Cost of sales and services provided	(2,088)
Gross profit	579
Selling and distribution expenses	(4,645)
Administrative expenses	(3,700)
Provision for impairment loss under expected credit loss model, net	(28,058)
Impairment loss on goodwill	(8,504)
Finance costs	(475)
Loss before income tax	(44,803)
Income tax credit	194
Loss for the year from discontinued operation	(44,609)
Loss and total comprehensive expense for the year attributable to:	
Owners of the Company	(26,891)
Non-controlling interests	(17,718)
	(44,609)

25 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES (Continued)

(iii) Disposal of Nongmuren Group (Continued)

(a) Financial performance and cash flow information (Continued)

	2024 RMB'000
Loss for the year from discontinued operation includes the following:	
Other staff costs:	
– Salaries and other allowances	4,344
– Retirement benefit scheme contributions	481
Total staff costs	4,825
Amortisation of intangible assets	774
Cost of inventories and services recognised as expenses (including in cost of sales and services provided)	2,088
Depreciation of property, plant and equipment	62
Depreciation of right-of-use assets	1,525
Cash flows from discontinued operation:	
Net cash outflows from operating activities	(3,373)
Net cash inflows from financing activities	3,227
Net decrease in cash and cash equivalent in the discontinued operation	(146)

25 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES (Continued)

(iii) Disposal of Nongmuren Group (Continued)

(a) Financial performance and cash flow information (Continued)

The following assets and liabilities were classified as held in relation to the discontinued operation as at 31 December 2024:

	RMB'000
Assets classified as held for sale	
Property, plant and equipment	407
Right-of-use assets	1,362
Goodwill	3,972
Intangible assets	4,647
Investments in associates	12
Inventories	556
Trade and other receivables	18,460
Bank balances and cash	474
Total assets of Disposal Group held for sale	29,890
Liabilities directly associated with assets classified as held for sale	
Trade and other payables	61,174
Amount due to a non-controlling interest	22,978
Lease liabilities	4,419
Deferred tax liabilities	1,161
Bank borrowings	8,000
Total liabilities of Disposal Group held for sale	97,732

(b) Details of the disposal of subsidiaries

	RMB'000
Consideration received:	
Cash consideration	300

25 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES (Continued)

(iii) Disposal of Nongmuren Group (Continued)

(b) Details of the disposal of subsidiaries (Continued)

The carrying amounts of assets and liabilities in relation to the discontinued operation as at 13 January 2025:

	RMB'000
The net liabilities disposed of are as follows:	
Property, plant and equipment	407
Right-of-use assets	1,362
Goodwill	3,972
Intangible assets	4,647
Investments in associates	12
Inventories	556
Trade and other receivables	18,460
Bank balances and cash	474
Trade and other payables	(61,174)
Amount due to a non-controlling interest	(22,978)
Lease liabilities	(4,419)
Deferred tax liabilities	(1,161)
Bank borrowings	(8,000)
Net liabilities disposed of	(67,842)

	RMB'000
Gain on disposal of subsidiaries:	
Cash consideration received	300
Net liabilities disposed of	67,842
Non-controlling interests	(56,677)
Gain on disposal of subsidiaries (Note 25(iii)(a))	11,465

Analysis of net cash flow in respect of the disposal of subsidiaries is as follow:

	RMB'000
Cash consideration received	300
Cash and cash balances disposed of	(474)
Net cash outflow	(174)

26 TRADE, BILLS AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	**6,722**	19,609
Other payables and accrued expenses	**39,257**	72,604
Bills payables (Note i)	**279,000**	79,600
VAT and other tax payables	**615**	18,974
Provision for termination of assignment contracts (Note ii)	**–**	7,413
	325,594	198,200

Notes:

i) As at 31 December 2025, bills payables amounting to RMB279,000,000 (2024: RMB79,600,000) are secured by pledged bank deposits of RMB239,500,000 (see Note 24) (2024: RMB39,800,000). All bills payables are issued to suppliers of the Manufacturing segment.

ii) In September 2018, Huzhou Baiyin Property Co., Ltd.* (湖州白銀置業有限公司) ("**Huzhou Baiyin**"), an indirect wholly-owned subsidiary of the Group entered into an assignment contract (the "**Contract**") with Huzhou South Taihu New District Management Committee (the"**Committee**") and Huzhou Municipal Bureau of Natural Resources and Planning (the "**Bureau**") in relation to the acquisition of the land use right over a piece of land located in Huzhou, the PRC (the "**Acquisition**"). The total consideration for the land use right was RMB285,000,000.

On 29 and 30 June 2020, Huzhou Baiyin entered into a termination agreement (the "**Termination Agreement**") with the Committee and the Bureau, and a compensation agreement with the Committee, pursuant to which the Committee and the Bureau agreed to terminate the Contract and the Committee agreed to refund the deposits received amounting to RMB270,875,000 (the "**Compensation Sum**") and compensate for (i) the capital expenditure and other expenses incurred by the Group in connection with the exploration, design and pre-construction works on the land; and (ii) certain taxes paid by another indirect wholly-owned subsidiary of the Group.

As at 31 December 2021, the Group had already paid an aggregate amount of RMB290,094,000 in relation to the Acquisition and fully received the Compensation Sum. As at 31 December 2024, however, certain pre-construction costs that had been incurred before the termination of the Acquisition remained payable by the Group, which amounted to RMB7,413,000.

As at 31 December 2025, the balance has been ceased to be consolidated into the Group's financial statements following the completion of deemed disposal of Everest Gold Group.

* The English name is for identification only

The ageing analysis of the Group's trade payables based on the invoice dates at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
0 to 30 days	**6,722**	4,300
31 to 60 days	**–**	9
61 to 90 days	**–**	14
Over 90 days	**–**	15,286
	6,722	19,609

The credit period of purchase of goods and subcontracting costs on processing silver products generally ranges from 1 to 90 days.

27 AMOUNTS DUE TO NON-CONTROLLING INTERESTS, THE ULTIMATE SHAREHOLDER AND ASSOCIATES

As at 31 December 2025 and 2024, the amounts due to non-controlling interests, the ultimate shareholder and associates were non-trade in nature, unsecured, interest-free and repayable on demand.

28 LEASE LIABILITIES

	2025 **RMB'000**	2024 RMB'000
Lease liabilities payable	**561**	5,527
Less: Amounts due for settlement within 12 months shown under current liabilities	**(507)**	(699)
Less: Reclassified as held for sale (Note 25(iii))	**–**	(4,419)
Amounts due for settlement after 12 months shown under non-current liabilities	**54**	409

The weighted average incremental borrowing rates applied to lease liabilities is 5.11% (2024: 5.39%) per annum for the year ended 31 December 2025.

Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2025 **RMB'000**	2024 RMB'000
Hong Kong dollar	**561**	1,108

29 CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Amounts received in advance for sales of goods	–	5,577

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

	Amounts received in advance of sale of goods	
	2025 **RMB'000**	2024 RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**5,577**	3,584

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

The Group receives 30% to 100% of the contract value as amounts from customers when the sale order is issued. The entire amount of contract liabilities will be recognised as revenue when the customers obtained the control of goods. As at 31 December 2025, the contract liabilities amounted to nil.

30 BANK AND OTHER BORROWINGS

	2025 RMB'000	2024 RMB'000
Secured		
Bank borrowings at fixed rates (Note i)	**73,500**	136,000
Bank borrowings at floating rates (Note i)	**36,500**	119,921
Unsecured		
Other borrowings at fixed rates (Note ii)	**–**	145,000
	110,000	400,921
Carrying amount of bank borrowings that are repayable within one year and contain a repayment on demand clause	**40,000**	–
Carrying amount of bank borrowings that are repayable within one year and without a repayment on demand clause	**70,000**	255,921
Carrying amount of other borrowings that are repayable within one year and without a repayment on demand clause	**–**	145,000
Total amounts shown under current liabilities	**110,000**	400,921

The effective interest rate of the Group's short term borrowings (which is also equal to contracted interest rate) during the year is as follows:

	2025	2024
Effective interest rate per annum	**4.98%**	6.63%

The total banking facility granted to the Group amounted to RMB142,000,000 (2024: RMB300,700,000) of which RMB110,000,000 (2024: RMB255,921,000) were utilised.

Notes:

i) As at 31 December 2025, bank borrowings are secured and/or guaranteed by (i) leasehold land and building with aggregate carrying amount of RMB14,721,000 and RMB46,665,000 respectively; (ii) personal guarantee held by a director of the Company, Mr. Chen Wantian and his spouse; (iii) corporate guarantee and certain assets of a supplier and independent third parties and (iv) personal guarantee from directors of subsidiaries (2024: (i) leasehold land and building with aggregate carrying amount of RMB15,155,000 and RMB49,948,000 respectively; (ii) personal guarantee and properties held by a director of the Company, Mr. Chen Wantian and his spouse; (iii) corporate guarantee and certain assets of a supplier and independent third parties and (iv) personal guarantee from directors of subsidiaries).

Secured bank borrowings of RMB73,500,000 as at 31 December 2025 (2024: RMB136,000,000) carry interest at fixed rates, ranging from 4.2% to 5.61% (2024: from 4.25% to 5.61%) per annum and RMB36,500,000 (2024: RMB119,921,000) carry interest at loan prime rate plus from 0.78% to 1.70% (2024: from 1.85% to 2.80%) per annum.

ii) Unsecured other borrowings of RMB145,000,000 as at 31 December 2024 carry interest at fixed rates, ranging from 10.00% to 10.95% per annum.

31 SHARE CAPITAL OF THE COMPANY

	Number of shares	Share capital HK$'000	Share capital RMB'000
Ordinary share of HK$0.01			
Authorised:			
At 1 January 2024, 31 December 2024 and 1 January 2025	3,000,000,000	30,000	24,386
Increase in authorised share capital (Note i)	2,000,000,000	20,000	18,096
At 31 December 2025	5,000,000,000	50,000	42,482
Issued:			
At 1 January 2024, 31 December 2024 and 1 January 2025	1,954,080,706	19,542	15,935
Issue of new shares (Note ii)	405,000,000	4,050	3,702
Loans capitalisation (Note iii)	388,044,853	3,880	3,593
Shares allotted for share award scheme (Note iv)	234,212,000	2,342	2,143
At 31 December 2025	2,981,337,559	29,814	25,373

Notes:

i) Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 23 December 2025, the authorised share capital of the Company was increased from 3,000,000,000 to 5,000,000,000 shares of HK$0.01 each. The increase in the authorised share capital has been effective on 23 December 2025.

ii) A total of 405,000,000 shares have been duly allotted and issued to new subscribers at the subscription price of HK$0.45 per share during the year ended 31 December 2025.

iii) During the year ended 31 December 2025, a total of 129,516,934 and 258,527,919 shares have been duly allotted and issued to Journey Grace Limited and Medal Chains Internet Technology Group Limited, respectively at the subscription price of HK$0.252 per share by way of offsetting against the outstanding principal amount and interest accrued under Shanghai Ougen Loan owed to Shanghai Ougen and Shanghai Qimao Loan owed to Shanghai Qimao by Jiangxi Longtianyong NONFERROUS Metals Co., Ltd.*（江西龍天勇有色金屬有限公司）("Jiangxi Longtianyong")(an indirect wholly-owned subsidiary of the Company). The net proceeds recognised from these issuances amounted to RMB90,231,000.

iv) During the year ended 31 December 2025, the Company allotted 234,212,000 ordinary shares to the trustee of the Scheme for the purpose of granting awarded shares to the participants under the share award scheme. See Note 33(a) for details.

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32 DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Government subsidies (Note)	1,369	2,083
Analysed for reporting purposes as:		
Current	714	714
Non-current	655	1,369
	1,369	2,083

Note: Government subsidy of RMB10,000,000 was received in prior year in respect of the Group's investment in a project for comprehensive use of scarce metal resources in the form of certain property, plant and equipment. The government subsidy has been recognised as income over the useful lives of the related assets upon the fulfilment of the conditions stated by the respective authority in 2013. During the year ended 31 December 2025, an amount of RMB714,000 (2024: RMB714,000) was recognised as other income.

33 SHARE-BASED PAYMENTS

(a) Share award scheme

a) The principal terms of the Company's share award scheme ("**2025 Scheme**") adopted on 18 June 2025 ("**Adoption Date**") are set out below.

The purposes of the 2025 Scheme are to reward and incentivise eligible participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The eligible participants of the 2025 Scheme are the employees of the Company or any of its subsidiaries (including persons who are granted awards under the share award scheme as an inducement to enter into employment contracts with these companies). The scope of the eligible participants does not include independent non-executive directors.

The 2025 Scheme became effective on 18 June 2025 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date and will expire in 2035.

b) The total number of shares which may be granted and issued in respect of all awards to be granted under the 2025 Scheme of the company shall not, in aggregate exceed 10% of the total number of issued shares as at the Adoption Date or the relevant date of approval of the refreshment of the scheme mandate limit.

On 30 September 2025 (the "**Grant Date**"), the Company granted an aggregate of 234,212,000 awarded shares to 11 employees of the group, who are eligible participants under the 2025 Scheme. No awarded shares were granted to the Company's directors or senior management during the year.

The following table discloses movements of Company's awards under the 2025 Scheme held by the Group's employees during the current year:

Date of grant	Closing price on the Grant Date per share	Outstanding as at 1 January 2025	Granted during the year	Outstanding as at 31 December 2025
30 September 2025	HK$0.53	–	234,212,000	234,212,000

The awards granted under the 2025 Scheme shall be held for not less than 12 months before being vested on the eligible participant. The awarded shares will be held by the trustee of the 2025 Scheme for the grantees until such awarded shares are vested in the relevant grantees in accordance with the terms of the 2025 Scheme and the trust deed. The Share Award Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, unless terminated earlier as determined by the Board.

Awarded shares granted must be taken up within 28 days of the date of grant, upon payment of HK$1 as consideration.

No awarded share under the 2025 Scheme was vested during the year ended 31 December 2025.

33 SHARE-BASED PAYMENTS (Continued)

(a) Share award scheme (Continued)

c) The Group recognised the total expense of RMB28,389,000 (for the year ended 31 December 2024: nil) for the year ended 31 December 2025 in relation to share awards granted by the Company under the 2025 Scheme.

(b) Share option scheme

i) The Scheme

a) The principal terms of the Company's share option scheme adopted on 5 December 2012 (the "**Scheme**") are set out below.

The Scheme was adopted pursuant to a resolution passed on 5 December 2012 for the primary purpose of providing incentives to eligible directors and employees. Under the Scheme, the board of directors of the Company may grant options to consultants and eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

The exercise price is determined by the directors of the Company and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK$1 as consideration.

33 SHARE-BASED PAYMENTS (Continued)

(b) Share option scheme (Continued)

i) The Scheme (Continued)

b) There are no outstanding share options which had been granted under the Scheme at 31 December 2025 (2024: 44,800,000 remained outstanding, representing 2.29% of the shares of the Company in issue).

The following table discloses movements of Company's options under the Scheme held by the Group's directors, employees and consultants during the current and prior years:

Date of grant	**Exercise price per share HK$**	**Outstanding as at 1 January 2025**	**Exercised during the year**	**Lapsed during the year**	**Outstanding as at 31 December 2025**
2 January 2015	**1.8**	**44,800,000**	**–**	**(44,800,000)**	**–**
Exercisable at the 1 January 2025		**44,800,000**			
Exercisable at the 31 December 2025					**–**
Weighted average exercise price		**HK$1.80**			**–**

Date of grant	Exercise price per share HK$	Outstanding as at 1 January 2024	Exercised during the year	Lapsed during the year	Outstanding as at 31 December 2024
20 August 2014	2.2	23,700,000	–	(23,700,000)	–
2 January 2015	1.8	44,800,000	–	–	44,800,000
		68,500,000	–	(23,700,000)	44,800,000
Exercisable at the 1 January 2024		68,500,000			
Exercisable at the 31 December 2024					44,800,000
Weighted average exercise price		HK$1.96			HK$1.80

33 SHARE-BASED PAYMENTS (Continued)

(b) Share option scheme (Continued)

i) The Scheme (Continued)

b) (Continued)

No share option under the Scheme was exercised during the years ended 31 December 2025 and 2024.

The 23,700,000 outstanding share options granted on 20 August 2014 with the exercise price of HK$2.20 per share are exercisable during the period from 20 August 2015 to 19 August 2024 in three batches, being:

- 20 August 2015 to 19 August 2024 (7,110,000 outstanding share options granted are exercisable)
- 20 August 2016 to 19 August 2024 (7,110,000 outstanding share options granted are exercisable)
- 20 August 2017 to 19 August 2024 (9,480,000 outstanding share options granted are exercisable)

The 44,800,000 outstanding share options granted on 2 January 2015 with the exercise price of HK$1.80 per share are exercisable during the period from 2 January 2016 to 1 January 2025 in three batches, being:

- 2 January 2016 to 1 January 2025 (13,440,000 outstanding share options granted are exercisable)
- 2 January 2017 to 1 January 2025 (13,440,000 outstanding share options granted are exercisable)
- 2 January 2018 to 1 January 2025 (17,920,000 outstanding share options granted are exercisable)

The closing prices of the Company's shares immediately before 20 August 2014 and 2 January 2015, the dates of grant, were HK$2.20 and HK$1.80 respectively.

33 SHARE-BASED PAYMENTS (Continued)

(b) Share option scheme (Continued)

i) The Scheme (Continued)

b) (Continued)

The following table discloses movements of the Company's share options held by directors, employees and a consultant under the Scheme during the current and prior years:

Eligible participants	Outstanding as at 1 January 2025	Exercised during the year	Lapsed during the year	Outstanding as at 31 December 2025
Employees	39,800,000	–	(39,800,000)	–
Consultant	5,000,000	–	(5,000,000)	–
	44,800,000	–	(44,800,000)	–
Exercisable at the 1 January 2025	44,800,000			
Exercisable at the 31 December 2025				–

Eligible participants	Outstanding as at 1 January 2024	Exercised during the year	Lapsed during the year	Outstanding as at 31 December 2024
Directors	2,700,000	–	(2,700,000)	–
Employees	60,800,000	–	(21,000,000)	39,800,000
Consultant	5,000,000	–	–	5,000,000
	68,500,000	–	(23,700,000)	44,800,000
Exercisable at the 1 January 2024	68,500,000			
Exercisable at the 31 December 2024				44,800,000

33 SHARE-BASED PAYMENTS (Continued)

(b) Share option scheme (Continued)

i) The Scheme (Continued)

c) During the years ended 31 December 2025 and 2024, no expense is recognised in relation to share options granted by the Company under the Scheme.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

ii) The New Scheme

a) The principal terms of the Company's new share option scheme adopted on 21 April 2015 (the "**New Scheme**") are set out below.

The New Scheme was adopted pursuant to a resolution passed on 21 April 2015 for the primary purpose of providing incentives to eligible directors and employees, and will expire on 26 August 2025. Under the New Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the New Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

The exercise price is determined by the directors of the Company and will not be less than the higher of (i) closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK$1 as consideration.

33 SHARE-BASED PAYMENTS (Continued)

(b) Share option scheme (Continued)

ii) The New Scheme (Continued)

b) There are no outstanding share options which had been granted under the New Scheme at 31 December 2025 (2024: 81,000,000 remained outstanding, representing 4.15% of the shares of the Company in issue).

The following table discloses movements of the Company's options under the New Scheme held by the Group's employees during the current and prior years:

Date of grant	Exercise price per share	Outstanding as at 1 January 2025	Exercised during the year	Lapsed during the year	Outstanding as at 31 December 2025
27 August 2015	**HK$1.97**	**81,000,000**	**–**	**(81,000,000)**	**–**
Exercisable at 1 January 2025		**81,000,000**			
Exercisable at 31 December 2025					**–**
Weighted average exercise price		**HK$1.97**			**–**

Date of grant	Exercise price per share	Outstanding as at 1 January 2024	Exercised during the year	Lapsed during the year	Outstanding as at 31 December 2024
27 August 2015	HK$1.97	81,000,000	–	–	81,000,000
Exercisable at 1 January 2024		81,000,000			
Exercisable at 31 December 2024					81,000,000
Weighted average exercise price		HK$1.97			HK$1.97

No share option under the New Scheme was exercised during the years ended 31 December 2025 and 2024.

33 SHARE-BASED PAYMENTS (Continued)

(b) Share option scheme (Continued)

ii) The New Scheme (Continued)

b) (Continued)

The 81,000,000 outstanding share options granted on 27 August 2015 with the exercise price of HK$1.97 per share are exercisable during the period from 27 August 2016 to 26 August 2025 in two batches, being:

- 27 August 2016 to 26 August 2025 (40,500,000 outstanding share options granted are exercisable)
- 27 August 2017 to 26 August 2025 (40,500,000 outstanding share options granted are exercisable)

The closing prices of the Company's shares immediately before 27 August 2015 was HK$1.87.

c) No expense was recognised for the years ended 31 December 2025 and 2024 in relation to share options granted by the Company under the New Scheme.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

34 RETIREMENT BENEFITS PLAN

The Group participates in a Mandatory Provident Fund Scheme (the "**MPF Scheme**") for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the scheme.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the local government in the PRC. The Group is required to contribute a specified percentage of the payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to this scheme is to make the specified contributions.

The total expense recognised in profit or loss amounting to RMB2,114,000 (2024: RMB2,607,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

35 RELATED PARTY DISCLOSURES

Saved as disclosed elsewhere in the consolidated financial statements, related parties disclosures are as follows:

Name of related parties	Relationship	Nature of transactions	2025 RMB'000	2024 RMB'000
江西吉銀實業有限公司	A subsidiary of Everest Gold Group (Note i)	Sales of silver ingots (Note ii)	**15,782**	–
		Rental income (Note iii)	**400**	–

Notes:

i) On 31 December 2025, following the deemed disposal of Everest Gold Group, the Company became a related party of Everest Gold Group since then (2024: the Company is the immediate and ultimate holding company of Everest Gold Group).

ii) These transactions were carried out at terms determined and agreed by the Group and the relevant parties.

iii)_ The Group entered into a one-year lease agreement for the use of warehouse and office premises with a subsidiary of Everest Gold Group during the year ended 31 December 2024. The agreement expired in 2025 and has been renewed for a further three-years term during the year ended 31 December 2025.

Guarantee by related parties in support of a loan facility from a financial institution

During the year ended 31 December 2025, Jiangxi Longtianyong, a wholly-owned subsidiary of the Group obtained bank borrowings of RMB38,500,000 (2024: bank borrowings of RMB163,421,000) with personal guarantees given by Mr. Chen Wantian, a director of the Company and his spouse.

Compensation of key management personnel

The emoluments of directors and members of key management of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Short-term benefits	**2,549**	5,271
Post-employment benefits	**85**	80
	2,634	5,351

The remuneration of directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

36 PLEDGE OF ASSETS

As at 31 December 2025 and 2024, assets with the following carrying amounts were pledged to secure general banking facilities.

	2025	2024
	RMB'000	RMB'000
Property, plant and equipment	**46,665**	49,948
Leasehold land (included in right-of-use assets)	**14,721**	15,155
Pledged bank deposits	**239,500**	39,800
	300,886	104,903

37 FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025	2024
	RMB'000	RMB'000
Financial assets		
– Financial assets at amortised cost	**473,673**	628,468
Financial liabilities		
– Financial liabilities at amortised cost	**492,657**	555,032
– Lease liabilities	**561**	1,108

38 ACQUISITION OF SUBSIDIARIES ACCOUNTED FOR AS AN ASSET ACQUISITION

(i) For the year ended 31 December 2025

(a) On 17 June 2025, Jiangxi Fuhui Lithium Company Limited* (江西富輝鋰業有限公司), an indirect wholly-owned subsidiary of the Group and Jiangxi Jiyin Company Limited* (江西吉銀實業有限公司), an indirect non-wholly-owned subsidiary of the Group (collectively called the "**Purchasers**"), entered into an equity transfer agreement with Jiangxi Yincai Trading Co., Ltd.* (江西銀彩貿易有限公司), (the "**Vendor**"), an independent third party of the Group, pursuant to which the Vendor agreed to sell, and the Purchasers agreed to purchase, 20% and 35% equity interest in Jiangxi Yiding Trading Co., Ltd.* (江西藝鼎貿易有限公司) (the "**Target Company**" or "**Jiangxi Yiding**") for a total consideration of RMB2,000,000 and RMB3,500,000 respectively. The Target Company is a company incorporated in the PRC with limited liability. The Target Company held 100% equity interest in Xizang Shigatse Huaye Mining Development Co., Ltd.* (西藏日喀則市華冶礦業開發有限責任公司) ("**Xizang Shigatse**"), a company incorporated in the PRC with limited liability. Xizang Shigatse is principally engaged in the exploration of lead and zinc mines. The transaction was completed on 18 July 2025.

The acquisition was undertaken to obtain a motor vehicle and a property to secure exploration rights for a lead and zinc mine as part of the Group's future business development. Given the nature of the assets acquired, the transaction has been accounted for as an acquisition of assets.

The identifiable assets and liabilities arising from this transaction are as follows:

	RMB'000
Property, plant and equipment	160
Exploration right	9,868
Other receivables	1,290
Bank balances and cash	25
Other payables	(1,343)
A non-controlling interest	(4,500)
Purchase consideration	5,500
Less: cash and cash equivalent balances acquired	(25)
Net cash outflow on acquisition of the Target Company	5,475

Immediately after the completion of the deemed disposal of Everest Gold Group, the Company's indirect interest in Jiangxi Yiding has been reduced from 55% to 20% and the financial results of Jiangxi Yiding ceased to be consolidated into the Group's financial statements and recognised as "Investments in associates" (Note 19) in the consolidated financial statements.

38 ACQUISITION OF SUBSIDIARIES ACCOUNTED FOR AS AN ASSET ACQUISITION (Continued)

(i) For the year ended 31 December 2025 (Continued)

(b) On 25 May 2025, Shenzhen Guoyintongbao Limited* (深圳國銀通寶有限公司) (the "**Purchaser**"), an indirect wholly-owned subsidiary of the Group, entered into an equity transfer agreement with Shenzhen Xinjia Jewelry Co., Ltd.* (深圳市信嘉珠寶有限公司) and Shenzhen Guangshunjia Jewelry Co., Ltd.* (深圳市廣順嘉珠寶有限公司) (collectively the "**Vendors**"), pursuant to which the Vendors agreed to sell, and the Purchaser agreed to purchase, 100% equity interest in Shenzhen Heqingde Investment Development Co., Ltd.* (深圳市和清德投資發展有限公司), Shenzhen Derunsheng Investment Co., Ltd.* (深圳市德潤生投資有限公司), Shenzhen Heshunle Investment Co., Ltd.* (深圳市和順樂投資有限公司) and Shenzhen Jiadebao Investment Co., Ltd.* (深圳市佳德堡投資有限公司) (collectively the "Target Companies") for a total consideration of RMB80,000,000.

The Group completed the acquisition of the Target Companies on the same day. The acquisition was undertaken to obtain leasehold land and buildings for use as office for the Group's future business development. Given the nature of the assets acquired, the transaction has been accounted for as an acquisition of assets.

The identifiable assets and liabilities arising from this transaction are as follows:

	RMB'000
Leasehold land and buildings	79,895
Other receivables	130
Bank balances and cash	315
Other payables	(340)
Purchase consideration	80,000
Less: bank balances and cash acquired	(315)
Less: cash consideration payable	(52,000)
Net cash outflow arising on acquisition	27,685

Immediately after the completion of the deemed disposal of Everest Gold Group, the Company's indirect interest in the Target Companies has been reduced from 40.39% to 39.7% and the assets ceased to be consolidated into the Group's financial statements.

38 ACQUISITION OF SUBSIDIARIES ACCOUNTED FOR AS AN ASSET ACQUISITION (Continued)

(ii) For the year ended 31 December 2024

(a) On 15 August 2024, Jiangxi Jiyin Company Limited* (江西吉銀實業有限公司) (the "**Purchaser**"), an indirect wholly-owned subsidiary of the Group, entered into an equity transfer agreement with Jiangxi Huiying Trading Company Limited* (江西輝穎貿易有限公司) (the "**Vendor**"), pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, 51% equity interest in Jiangxi Letong New Materials Company Limited* (江西樂通新材料有限公司) (the "**Target Company**") for a total consideration of RMB2,550,000.

On 21 August 2024, the Group completed the acquisition of the Target Company, a company incorporated in the PRC with limited liability. The Target Company holds 100% equity interest in Tibet Longtianyong, a PRC-incorporated limited liability company principally engaged in the exploration of a lead and zinc mine.

The acquisition was undertaken to obtain a property for use as staff quarters and to secure exploration rights for a lead and zinc mine as part of the Group's future business development. Given the nature of the assets acquired, the transaction has been accounted for as an acquisition of assets.

The identifiable assets and liabilities arising from this transaction are as follows:

	RMB'000
Exploration right	472
Right-of-use assets	2,799
Other receivables	2,877
Bank balances and cash	63
Other payables	(1,211)
A non-controlling interest	(2,450)
Purchase consideration	2,550
Less: cash and cash equivalent balances acquired	(63)
Net cash outflow on acquisition of the Target Company	2,487

* The English name is for identification only.

Immediately after the completion of the deemed disposal of Everest Gold Group, the assets ceased to be consolidated into the Group's financial statements.

39 MAJOR NON-CASH TRANSACTIONS

The Group had the following major non-cash transactions:

During the year ended 31 December 2025, following the deemed disposal, Everest Gold Group ceased to be a subsidiary of the Group and, accordingly, its financial performance has ceased to be consolidated into the Group's financial statements as at 31 December 2025. Consequently, the balance due to Everest Gold Group from the Group, amounting to RMB18,494,000, was reclassified as amounts due to associates.

During the year ended 31 December 2025, the Company entered into two subscription agreements pursuant to which it has allotted and issued new shares to two lenders, by way of offsetting against the outstanding principal amount and interest accrued from an indirect wholly-owned subsidiary of the Company, amounted to RMB30,116,000 and RMB60,115,000 respectively.

During the year ended 31 December 2025, the Group entered into one new lease agreement for the use of staff's quarter for 2 years. On the lease commencement, the Group recognised RMB607,000 of right-of-use assets and RMB607,000 of lease liabilities.

During the year ended 31 December 2024, the Group entered into one new lease agreement for the use of office premise for 2 years. On the lease commencement, the Group recognised RMB1,350,000 of right-of-use assets and RMB1,350,000 of lease liabilities.

40 CONTINGENT LIABILITY

As at 31 December 2025, Jiangxi Longtianyong, a subsidiary of the Group, provided a corporate guarantee of approximately RMB80,000,000 to Jiangxi Jiyin Company Limited* (江西吉銀實業有限公司), a wholly-own subsidiary of Everest Gold Group in support of a bank borrowing.

* The English name is for identification only.

41 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities RMB'000	Bank and other borrowings RMB'000 (Note)	Interest payables (included in other payables) RMB'000	Amount due to the ultimate shareholder RMB'000	Amounts due to non-controlling interests RMB'000	Amounts due to associates RMB'000	Total RMB'000
At 1 January 2024	6,191	421,200	149	–	22,513	–	450,053
Financing cash flows	(2,305)	(12,279)	(26,972)	40,010	6,861	–	5,315
Finance cost recognised	291	–	26,823	–	–	–	27,114
Non-cash movements							
Reclassification as held for sale (Note 25)	(4,419)	(8,000)	–	–	(22,978)	–	(35,397)
New leases entered (Note 39)	1,350	–	–	–	–	–	1,350
As at 31 December 2024 and 1 January 2025	1,108	400,921	–	40,010	6,396	–	448,435
Financing cash flows	(1,026)	(84,060)	(16,502)	34,709	3,868	–	(63,011)
Finance cost recognised	69	–	16,502	–	–	–	16,571
Non-cash movements							
Deemed disposal of subsidiaries (Note 25)	(197)	(116,630)	–	–	(10,264)	–	(127,091)
Loans capitalisation (Note 31)	–	(90,231)	–	–	–	–	(90,231)
New leases entered (Note 39)	607	–	–	–	–	–	607
Others (Note 39)	–	–	–	–	–	18,494	18,494
As at 31 December 2025	**561**	**110,000**	**–**	**74,719**	**–**	**18,494**	**203,774**

Note: The cash flows from bank borrowings comprise the net amount of new bank borrowings raised and repayment of bank borrowings.

42 SUBSIDIARIES

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/Registered capital	Attributable equity interest held by the Company 2025	Attributable equity interest held by the Company 2024	Principal activities/ place of operations	Form of Company
Directly owned:						
Mount Everest Gold Group Company Limited [8] 珠峰黃金集團有限公司	The Cayman Islands	Ordinary shares US$125,957	**N/A (Note iii)**	40.39% (Note iii)	Investment holding/ Hong Kong	Limited liability
China Silver Financial Group Limited 中國白銀金融集團有限公司	Hong Kong	Ordinary shares HK$10,000	**100%**	100%	Investment holding/ Hong Kong	Limited liability
China Silver Holdings Limited 中國白銀控股有限公司	British Virgin Islands (the "**BVI**")	Ordinary shares US$100,000	**100%**	100%	Investment holding/ Hong Kong	Limited liability
China Silver Mining Group Limited 中國白銀礦業集團有限公司	The BVI	Ordinary shares US$50,000	**100%**	100%	Inactive/Hong Kong	Limited liability
Indirectly owned:						
China Silver Co., Limited 中國白銀有限公司	Hong Kong	Ordinary shares HK$10,000	**100%**	100%	Investment holding/ Hong Kong	Limited liability
浙江富銀鋰業有限公司 Zhejiang Fuyin Lithium Industry Co., Ltd. *	The PRC	Registered capital US$200,000,000	**100%**	100%	Investment holding and trading of silver ingots/The PRC	Wholly foreign owned
江西龍天勇有色金屬有限公司 Jiangxi Longtianyong Non-Ferrous Metals Co., Ltd. *	The PRC	Registered capital RMB110,000,000	**100%**	100%	Manufacture of silver, palladium, lead, and non-ferrous metals for sale/The PRC	Wholly foreign owned
永豐縣通盛諮詢服務股份有限公司 Yongfeng County Tongsheng Consulting Services Co., Ltd.	The PRC	Registered capital RMB50,000,000	**40% (Note iv)**	40% (Note iv)	Consulting/ The PRC	Limited liability

42 SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/Registered capital	Attributable equity interest held by the Company 2025	2024	Principal activities/ place of operations	Form of Company
江西富輝鋰業有限公司 Jiangxi Fuhui Lithium Industry Co., Ltd.*	The PRC	Registered capital RMB200,000,000	**100%**	100%	Manufacture of battery/ The PRC	Limited liability
CSMall Group Limited [2,8] 金貓銀貓集團有限公司	The BVI	Ordinary shares US$83,233	**N/A (Note iii)**	40.39% (Note iii)	Investment holding/ Hong Kong	Limited liability
Mount Everest Gold Holding Limited [2,8] 珠峰黃金控股有限公司 (Formerly known as CSMall Holdings Limited 金貓銀貓控股有限公司)	The BVI	Ordinary shares US$50,000	**N/A (Note iii)**	40.39% (Note iii)	Investment holding/ Hong Kong	Limited liability
China Silver Jewellery Group Limited [2,8] 中國白銀珠寶集團有限公司	Hong Kong	Ordinary shares HK$10,000	**N/A (Note iii)**	40.39% (Note iii)	Investment holding/ Hong Kong	Limited liability
江西吉銀實業有限公司 [2,8] Jiangxi Jiyin Industry Co., Ltd. *	The PRC	Registered capital US$149,800,000	**N/A (Note iii)**	40.39% (Note iii)	Processing and wholesale of precious metal products/The PRC	Wholly foreign owned
江西樂通新材料有限公司 [2,6,8] Jiangxi Letong New Materials Co., Ltd.*	The PRC	Registered capital RMB30,000,000	**N/A (Note iii)**	20.60% (Note iii)	Inactive/The PRC	Limited liability
西藏龍天勇礦業有限公司 [2,6,8] Tibet Longtianyong Mining Company Limited *	The PRC	Registered capital RMB5,000,000	**N/A (Note iii)**	20.60% (Note iii)	Engaged in the exploration of lead and zinc mines/The PRC	Limited liability
國融 (深圳) 供應鏈有限公司 [2,8] Guorong (Shenzhen) Supply Chain Co., Ltd.* (formerly known as 國融通寶 (深圳) 融資租賃有限公司)	The PRC	Registered capital RMB200,000,000	**N/A (Note iii)**	40.39% (Note iii)	Inactive/The PRC	Limited liability

42 SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/Registered capital	Attributable equity interest held by the Company 2025	2024	Principal activities/ place of operations	Form of Company
深圳國金通寶有限公司 [2,8] Shenzhen Guojin Tongbao Co.,Ltd.*	The PRC	Registered capital RMB50,000,000[1]	**N/A (Note iii)**	40.39% (Note iii)	Investment holding/ The PRC	Limited liability
深圳國銀通寶有限公司 [2,8] ShenZhen Guoyintongbao Limited*	The PRC	Registered capital RMB241,214,000	**N/A (Note iii)**	40.39% (Note iii)	Online and offline retail of jewellery products and operation of self-owned stores/The PRC	Wholly foreign owned
景寧畲銀文化有限公司 [2,8] Jingning Sheyin Culture Co., Ltd.*	The PRC	Registered capital RMB10,000,000[1]	**N/A (Note iii)**	40.39% (Note iii)	Planning of cultural events, design and sale of jewellery products/ The PRC	Limited liability
白銀小鎮(上海)文化產業有限公司 [2,8] Baiyin Town (Shanghai) Cultural Industry Co., Ltd.*	The PRC	Registered capital RMB100,000,000[1]	**N/A (Note iii)**	40.39% (Note iii)	Online sales of jewellery products/ The PRC	Limited liability
湖州白銀置業有限公司 [2,8] Huzhou Baiyin Real Estate Co., Ltd.*	The PRC	Registered capital RMB50,000,000	**N/A (Note iii)**	40.39% (Note iii)	Property development/ The PRC	Limited liability
深圳金縱橫軟件開發有限公司 [2,8] Shenzhen Jin Zongheng Software Development Co., Ltd.*	The PRC	Registered capital RMB500,000	**N/A (Note iii)**	40.39% (Note iii)	Software development/ The PRC	Limited liability
浙江金貓銀貓珠寶首飾有限公司 [2,8] Zhejiang Jinmao Yinmao Jewelry Co., Ltd.*	The PRC	Registered capital RMB10,000,000[1]	**N/A (Note iii)**	40.39% (Note iii)	Sale of jewellery products/The PRC	Limited liability
深圳鮮生掌櫃科技有限公司 [2,7] Shenzhen Xiansheng Shopkeeper Technology Co., Ltd.*	The PRC	Registered capital RMB1,000,000[1]	**N/A**	20.6%	Investment holding/ The PRC	Limited liability
江蘇農牧人電子商務股份有限公司 [2,7] Jiangsu Nongmuren Electronic Business Corp.*	The PRC	Registered capital RMB25,510,000[1]	**N/A**	N/A[4]	Sales of fresh food product/The PRC	Limited liability

42 SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/Registered capital	Attributable equity interest held by the Company		Principal activities/ place of operations	Form of Company
			2025	2024		
青島農牧人供應鏈管理有限公司[2,5,7] Qingdao Farmers and Herdsmen Supply Chain Management Co.,Ltd *	The PRC	Registered capital RMB500,000	N/A	10.5%	Fresh food acquisition, storage and transportation, primary processing, packaging and sales/The PRC	Limited liability
新疆羊掌櫃電子商務有限公司[2,5,7] Xinjiang Yangshopkeeper E-commerce Co., Ltd *	The PRC	Registered capital RMB10,000,000	N/A	10.3%	Sales of fresh food product/The PRC	Limited liability
農牧人甄選（蘇州）科技有限公司[2,5,7] Farmers and Pastoral Selection (Suzhou) Technology Co., Ltd.*	The PRC	Registered capital RMB1,000,000	N/A	20.6%	Sales and promotion of fresh food products/ The PRC	Limited liability
農牧人掌櫃（蘇州）科技有限公司[2,5,7] Farmer and Pastoral Manager (Suzhou) Technology Co., Ltd.*	The PRC	Registered capital RMB10,000,000	N/A	20.6%	Sales and promotion of fresh food products/ The PRC	Limited liability

1 At 31 December 2025 and 2024, capital injection to the entity had not been fully paid
2 Subsidiaries of Everest Gold
3 Not yet commence business
4 Structured entities
5 The subsidiary of Jiangsu Nongmuren Electronic Business Corp.
6 Acquired during the year ended 31 December 2024
7 Disposed during the year ended 31 December 2025
8 Deemed disposal during the year ended 31 December 2025

* The English name is for identification only.

Notes:

i) None of the subsidiaries had issued any debt securities outstanding at the end of the year or at any time during the year.

ii) Details of non-wholly-owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation on and principal place of business	Proportion of ownership interests and voting rights held by non-controlling		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Everest Gold Group and its subsidiaries	The Cayman Islands	N/A	59.61%	–	(32,137)	–	757,810
Individual immaterial subsidiaries with non-controlling interests				–	(31)	(899)	(899)
				–	(32,168)	(899)	756,911

42 SUBSIDIARIES (Continued)

Notes: (Continued)

ii) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. On 31 December 2025, Everest Gold Group ceased to be a subsidiary of the Group and became an associate.

	Everest Gold Group As at 31 December 2024 RMB'000
Current assets	1,558,900
Current liabilities	(291,022)
Net current assets	1,267,878
Non-current assets	20,583
Non-current liabilities	(204)
Net assets	1,288,257
Equity attributable to owners of the Company	520,327
Accumulated non-controlling interests	767,930
	1,288,257
Summarised income statement	
Revenue	157,570
Loss for the year	(41,503)
Loss and total comprehensive expense for the year	(41,503)
Loss for the year attributable to owners of the Company	(23,187)
Loss allocated to non-controlling interests	(18,316)
	(41,503)
Summarised cash flows	
Cash inflows from operating activities	30,292
Cash outflows from investing activities	(21,960)
Cash inflows from financing activities	1,922
Net cash inflows	10,254

42 SUBSIDIARIES (Continued)

Notes: (Continued)

iii) Change in the Group's ownership interests in a subsidiary

Everest Gold Group

On 13 March 2018, the Group completed the spin-off and separate listing of Everest Gold Group on the Main Board of the Stock Exchange. On the same day, Everest Gold Group issued a total of 194,183,990 ordinary shares of US$0.0001 each at HK$2.38 each for cash by way of public offer. Based on the offer price of HK$2.38 per share, the net proceed received by the Company was RMB355,795,000. An amount of RMB430,487,000 (being the proportionate share of the carrying amount of the net assets value of Everest Gold Group) has been transferred to non-controlling interests. The difference of RMB74,692,000 between the increase in the non-controlling interests and the consideration received has been debited to capital reserve.

On 30 August 2019, Everest Gold Group has issued 184,287,040 new shares in total to participants of a new employee share scheme and a strategic investor pursuant to an employee subscription agreement and employee trust deed dated 6 May 2019 (the "**Transactions**").

Pursuant to the employee subscription agreement and employee trust deed dated 6 May 2019, Ascend Delight Holdings Limited, a wholly owned entity of Ms. Xue, the guarantor under the employee subscription agreement and the trustee under the employee trust deed subscribed for 84,287,040 new ordinary shares of US$0.0001 each in Everest Gold Group at a price of HK$0.85 per ordinary share ("**New Employee Share Scheme**") for the purpose of providing rewards to all employees or senior management for their past services. These new shares were issued on 30 August 2019 under the specific mandate granted to the directors at the extraordinary general meeting of Everest Gold Group held on 16 August 2019 and rank pari passu with other shares in issue in all respects and fully vested on the same date. There were no vesting conditions attached to such issue. The Company funded the New Employee Share Scheme and the subscription is recorded by Everest Gold Group as equity-settled share-based payments determined based on the market price of the shares. An amount of RMB87,679,000 (being proportionate share of the carrying amount of the net assets value of Everest Gold Group) has been transferred to non-controlling interests. The difference of RMB4,671,000 between the increase in the non-controlling interests and the consideration received has been debited to capital reserve.

Pursuant to the strategic investor subscription agreement dated 6 May 2019, a strategic investor, Mr. Yao Runxiong subscribed for 100,000,000 new ordinary shares of US$0.0001 each in Everest Gold Group at a price of HK$1.5 (equivalent to RMB1.37) per ordinary share. These new shares were issued under the specific mandate granted to the directors at the extraordinary general meeting of Everest Gold Group held on 16 August 2019 and rank pari passu with other shares in issue in all respects. An amount of RMB129,177,000 (being proportionate share of the carrying amount of the net assets value of Everest Gold Group) has been transferred to non-controlling interests. The difference of RMB7,603,000 between the increase in the non-controlling interests and the consideration received has been credited to capital reserve.

Immediately subsequent to the completion of the Transactions, the Company's equity interest in Everest Gold Group decreased from 47.46% to 40.39%. The percentage of the voting rights held by the Company and other parties acting in concert according to the voting arrangement in the aforesaid employee trust deed over Everest Gold Group decreased from approximately 48.45% to approximately 48.05%.

On 31 December 2025, the Company's shareholding in Everest Gold Group has been diluted from approximately 40.39% to approximately 39.70% upon completion of certain subscriptions of Everest Gold Group on 31 December 2025. This reduction in shareholding constitutes a deemed disposal of the Company's interest in Everest Gold Group. As a result, Everest Gold Group ceased to be a subsidiary of the Group and became an associate.

iv) The Group has control over Tongsheng as the Group has the ability to direct the relevant activities of Tongsheng and practical right to appoint the majority of directors of Tongsheng.

43 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Investments in subsidiaries		**356**	376,076
Investments in associates		**1,103,856**	–
		1,104,212	376,076
Current assets			
Prepayment		**142**	295
Amounts due from subsidiaries		**169,158**	–
Bank balances and cash		**409**	200
		169,709	495
Current liabilities			
Other payables and accruals		**16,094**	21,842
Amounts due to subsidiaries		**352**	90,648
Amounts due to associates		**8,111**	–
		24,557	112,490
NET CURRENT ASSETS (LIABILITIES)		**145,152**	(111,995)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,249,364**	264,081
Capital and reserves			
Share capital	31	**25,373**	15,935
Share premium and reserves	(i)	**1,223,991**	248,146
TOTAL EQUITY		**1,249,364**	264,081

43 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Note:

i) Movements in share premium and reserves of the Company:

	Share premium RMB'000	Share award reserve RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	1,255,434	–	89,330	(1,088,343)	256,421
Loss and total comprehensive expense for the year	–	–	–	(8,275)	(8,275)
Lapse of share options (Note 33(b))	–	–	(21,459)	21,459	–
At 31 December 2024 and 1 January 2025	1,255,434	–	67,871	(1,075,159)	248,146
Profit and total comprehensive income for the year	–	–	–	700,202	700,202
Issue of new shares (Note 31)	162,759	–	–	–	162,759
Loans capitalisation (Note 31)	86,638	–	–	–	86,638
Shares allotted for share award scheme (Note 31)	111,413	(113,556)	–	–	(2,143)
Lapse of share options (Note 33(b))	–	–	(67,871)	67,871	–
Vesting of awarded shares (Note 33(a))	–	28,389	–	–	28,389
At 31 December 2025	**1,616,244**	**(85,167)**	**–**	**(307,086)**	**1,223,991**

44 EVENT AFTER THE REPORTING PERIOD

As disclosed in the Company's announcement dated 16 February 2026, the Company has entered into six subscription agreements with six subscribers respectively on 13 February 2026, pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, under a specific mandate to be approved by its shareholders at an extraordinary general meeting, an aggregate of 910,000,000 subscription shares at the subscription price of HK$0.51 per share (the "**2026 Share Subscription**"). The gross proceeds raised from the 2026 Share Subscription will be approximately HK$464,100,000, and the net proceeds, after deduction of all relevant expenses, will be approximately HK$463,250,000.

FIVE YEARS' FINANCIAL SUMMARY

RESULTS

	2021 RMB'000	2022 RMB'000 (restated)	2023 RMB'000 (restated)	2024 RMB'000 (restated)	**2025** **RMB'000**
Continuing operation					
Revenue	2,303,523	3,231,575	5,455,006	4,156,144	**3,063,300**
(Loss) profit before income tax	(2,413,397)	(85,058)	6,021	16,628	**12,947**
Income tax credit (expense)	6	(534)	(923)	2,102	**(330)**
(Loss) profit for the year from continuing operation	(2,413,391)	(85,592)	5,098	18,730	**12,617**
Discontinued operations					
(Loss) profit for the year from discontinued operations	–	(59,244)	(25,065)	(40,932)	**608,347**
(Loss) profit for the year	(2,413,391)	(144,836)	(19,967)	(22,202)	**620,964**
Attributable to					
– Owners of the Company	(2,412,925)	(120,766)	14,549	9,966	**586,329**
– Non-controlling interests	(466)	(24,070)	(34,516)	(32,168)	**34,635**
	(2,413,391)	(144,836)	(19,967)	(22,202)	**620,964**

ASSETS AND LIABILITIES

	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	**2025** **RMB'000**
Total assets	1,861,477	2,143,169	2,023,049	1,978,876	**1,862,793**
Total liabilities	(628,170)	(885,286)	(784,949)	(760,528)	**(530,853)**
Total equity	1,233,307	1,257,883	1,238,100	1,218,348	**1,331,940**
Equity attributable to owners of the Company	401,086	436,738	451,471	461,437	**1,332,839**
Non-controlling interests	832,221	821,145	786,629	756,911	**(899)**
	1,233,307	1,257,883	1,238,100	1,218,348	**1,331,940**