Pizu Group Holdings Limited

比優集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 9893

2026
ANNUAL REPORT

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Xu
Mr. Ha Suoku
Mr. Hu Jingqiang

AUDIT COMMITTEE

Mr. Li Xu *(Chairperson)*
Mr. Ha Suoku
Mr. Hu Jingqiang

REMUNERATION COMMITTEE

Mr. Li Xu *(Chairperson)*
Ms. Qin Chunhong
Mr. Ha Suoku
Mr. Hu Jingqiang

NOMINATION COMMITTEE

Mr. Ha Suoku *(Chairperson)*
Mr. Li Xu
Mr. Hu Jingqiang
Ms. Qin Chunhong

COMPANY SECRETARY

Ms. Shen Tianwei (MAPAIS, HKICPA, CICPA)
Unit 07, 21/F,
Shun Tak Centre West Tower,
168-200 Connaught Road Central,
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AUTHORISED REPRESENTATIVES

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REGISTERED OFFICE

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Registered Public Interest Entity Auditor
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PRINCIPAL BANKERS

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1 Harbour View Street,
Central, Hong Kong

In the PRC
Bank of China
Lhasa Liuwu Branch,
Lhasa,
Tibet,
China

STOCK CODE

9893

CHAIRMAN’S STATEMENT

Pizu Group Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) are grateful to our shareholders and the community for their trust, understanding and support during the year ended 31 March 2026 (the “Year”). I take the opportunity, on behalf of the board (the “Board”) of directors and all staff of the Group, to extend our sincere gratitude to the shareholders and all sectors who have always cared and supported the Group!

During the Year, amid dramatic changes in the international and domestic macroenvironment, the Group’s various business segments experienced mixed results; overall, the Group achieved its goal of steady growth in economic indicators. All projects under construction during the Year progressed smoothly and will gradually come online, providing a solid foundation for the Group’s optimistic outlook. This year marked the Company’s first full year of listing on the Main Board of the Hong Kong Stock Exchange. Benefiting from the Group’s sound operations and the booming international non-ferrous metals sector, the Company’s share price rose during the Year, and while average daily trading volume remained constrained, it showed a marked improvement compared to previous years. The Company will also continue to strengthen and improve the disclosure and sharing of information related to operational management, providing timely and transparent channels for shareholders and the general public to access information.

The Group’s core operations within the Inner Mongolia Autonomous Region experienced a significant decline during the Year. This was primarily due to sluggish conditions in the region’s coal market, compounded by tighter national safety regulations, which led to weak overall demand and resulted in a contraction of the Group’s sales of explosives and blasting engineering contracting business in the region. Anhui Jinding Mining Co., Ltd. (“Anhui Jinding”), benefiting from historically high prices for its main products – copper, gold, and sulfur – maintained stable operations while achieving a significant improvement in performance, thereby offsetting the Group’s decline in the Inner Mongolia market.

Tibet Tianren Mining Co., Ltd. (“Tibet Tianren”) fully launched construction during the Year, with all engineering projects progressing relatively smoothly; the project is expected to be completed and commence operations by the end of 2026. At the same time, the Group has made new progress in Tajikistan in areas such as sales of explosives, blasting services, and turnkey mining contracting, which is expected to be reflected in the Group’s financial performance in the coming years.

The Group will continue to adhere to a development strategy that combines the advantages of building a solid foundation and honing expertise in the domestic Chinese market with deepening local roots in Central Asia, striving to grow into an international company with comprehensive expertise across the entire mineral development process and holding long-term, high-quality resources. By leveraging the Group’s unique strengths – the ability to develop its own resources in a fully scientific and rational manner while providing comprehensive services to clients – we aim to deliver long-term, sustainable returns to our shareholders.

The Company proposes to pay a final dividend of HK$0.028 per share to share the income from the stable development of the Group with all shareholders.

Ma Tianyi
Chairman

26 June 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS 2025-2026

Business Review

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

The Group's civil explosives sales in Inner Mongolia fell sharply this Year, as a sluggish regional coal market and stricter national safety and environmental controls lowered coal mine utilisation rates, dampening overall demand. Offsetting this contraction, Anhui Jinding delivered robust earnings growth, bolstered by stable operations and record-high commodity prices for copper, gold, and sulfur. In Tibet, development of the Tibet Tianren Project is progressing seamlessly, keeping the Group on track to achieve its mechanical completion and commissioning targets by late 2026.

International operations saw key milestones, with our Tajikistan detonator production line passing acceptance testing and entering full commercial production. This facility unlocks a full-suite civil explosives product offering in Tajikistan, strengthening our local market share while acting as an export hub that has already secured new orders across Central Asia. Additionally, our Tajikistan footprint expanded into full-service contract mining and blasting engineering partnerships with local and Chinese operators, blending our technical mining expertise with established local relationships.

Overall, strong cross-segment synergy anchored a steady year-on-year improvement in our financial metrics. Moving forward, the operational momentum in Tibet and Tajikistan provides a solid foundation for long-term value creation.

Business Outlook

To strengthen our market competitiveness in civil explosives sales and blasting contracting, the Group will accelerate the optimisation of its capacity layout while bundling our various regulatory licenses and technical strengths to offer turnkey professional services to project owners. This approach aligns with increasingly stringent national safety mandates. Anchored by the Tibet Tianren Project, we plan to step up the expansion of our civil blasting and mine construction operations across Tibet.

In our mining operation segment, the deep-level phase II development at Anhui Jinding is moving forward steadily. We also plan to leverage the current high-price window for sulfur by expanding the production and sales ratio of sulfur concentrate. While this product mix adjustment may temporarily reduce the maximum value per ton of ore due to a marginal decrease in copper and gold volumes, management is confident that this tactical shift will maximize the full-lifecycle asset value and long-term profitability of the Anhui Jinding project.

With construction of the Tibet Tianren Project advancing seamlessly, management has begun evaluating downstream commercialisation and advanced smelting and processing techniques to ensure the optimal and sustainable development of the asset, anchoring our long-term growth pipeline.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and profit

The Group achieved a consolidated revenue from the operations of approximately RMB1,537.0 million, representing a decrease of approximately 9.35% in comparison with the year ended 31 March 2025. The following table is the breakdown of revenue for the Year:

	RMB'000	**Approximately % attributable to the turnover of the Group**
Sales of explosives	382,594	24.89%
Provision of blasting operations	187,983	12.23%
Sales of mineral concentrates	966,415	62.88%
	1,536,992	100.00%

During the Year, the Group recorded a profit of RMB357 million, representing a year-on-year increase of 9.59% as compared to RMB325 million for the year ended 31 March 2025, which was mainly due to the growth in mining operation business during the Year.

Earnings per share

The earnings per share of the Group are covered in note 13 to the consolidated financial statements.

Segment information

The segment information of the Group is covered in note 14 to the consolidated financial statements.

CAPITAL STRUCTURE

Capital structure of the Group comprises equity plus debts raised by the Group (including borrowings) net with cash and cash equivalents. Details of movement in share capital of the Company during the Year are set out in note 33 to the consolidated financial statements. Details of borrowings of the Group are set out in note 27 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS

As at 31 March 2026, the Group's investment in Kanzi Diyor LLC ("Kanzi Diyor"), which is principally engaged in mining and related activities in Tajikistan and is accounted for as a 45% interest in a joint venture, constituted a significant investment of the Group. The initial investment cost was approximately RMB620.33 million and the carrying amount of the investment as at 31 March 2026 was approximately RMB615.42 million, representing approximately 10.34% of the Group's total assets. During the Year, the Group recognised a share of loss of approximately RMB0.98 million from the investment and no dividend was received. The investment forms part of the Group's strategy to expand its mineral resources and mining operations in Central Asia, and the Group intends to continue holding the investment and monitoring the development of the relevant mining projects. Further details are set out in note 20(b) to the consolidated financial statements and the section headed "Connected Transaction" in the Directors' Report. Save for the information disclosed in this report, during the Year, the Group did not have any significant investments (2025: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS RELATING TO MAJOR INVESTMENT OR CAPITAL ASSET

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

MATERIAL ACQUISITIONS AND DISPOSALS

During the Year, the Group invested in a joint venture pertaining to a mining project in Tajikistan (2025: Nil). Details of the investment are set out in note 20 to the consolidated financial statements.

In June 2025, a wholly-owned subsidiary transferred its 27% equity interest in Tibet Tianren to a 55%-owned subsidiary. Furthermore, on 31 July 2025, an independent third party acquired a 5% equity interest in a non-wholly-owned subsidiary, Tibet Tianren by capital injection of RMB45,170,000. These constitute a partial disposal of the equity interest in Tibet Tianren. Details of the partial disposal are set out in note 31 to the consolidated financial statements.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2026, the equity of the Group amounted to approximately RMB2,417.85 million (2025: RMB2,175.49 million). Current assets amounted to approximately RMB1,396.98 million (2025: RMB1,305.11 million) of which approximately RMB746.59 million (2025: RMB632.55 million) were cash and cash equivalents and approximately RMB379.93 million (2025: RMB236.09 million) were inventories and other receivables, prepayments and deposits. The Group's current liabilities amounted to approximately RMB1,807.73 million (2025: RMB1,601.30 million).

As at 31 March 2026, the Group had borrowings of approximately RMB1,430.56 million (2025: RMB896.54 million), of which approximately RMB385.57 million were repayable within one year or on demand, approximately RMB994.49 million were repayable after one year but within five years, and approximately RMB50.50 million were repayable after five years.

The Group's borrowings, cash and cash equivalents were mainly denominated in RMB.

GEARING RATIO

As at 31 March 2026, the Group's gearing ratio, calculated as total debts of approximately RMB3,536.77 million (2025: RMB2,427.92 million) divided by total assets of approximately RMB5,954.62 million (2025: RMB4,603.41 million) was 59.40% (2025: 52.74%).

CHARGE OF ASSETS

The charge of assets of the Group is covered in note 27 to the consolidated financial statements.

CAPITAL COMMITMENT

As at 31 March 2026 and 2025, the Group's capital commitments are set out in note 36 to the consolidated financial statements.

FOREIGN CURRENCY RISK AND ANY RELEVANT ELIMINATION

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

The Group did not adopt other financial instruments for hedging purposes for the year ended 31 March 2026.

CONTINGENT LIABILITIES

As at 31 March 2026, the Group did not have any material contingent liabilities (2025: Nil).

DIVIDEND

During the Year, no interim dividend (2025: Nil) was declared and paid.

The Board recommends the payment of final dividend of HK$0.028 per share (2025: HK$0.015 per share) in respect of the Year (the “Proposed Final Dividend”). The Proposed Final Dividend, if approved, shall be payable on Friday, 4 December 2026 and is subject to the approval of the shareholders of the Company at the annual general meeting of the Year (“2026 AGM”). The shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 8 October 2026 will be entitled to the Proposed Final Dividend.

HUMAN RESOURCES

As at 31 March 2026, the Group employed a total of 1,351 (2025: 1,111) full-time employees in the PRC, Tajikistan and Hong Kong. Details of the Group’s staff costs for the year ended 31 March 2026 are set out in note 8 to the consolidated financial statements. Staff remuneration packages are determined with reference to prevailing market rates. Staff benefits include Mandatory Provident Fund retirement benefits scheme for its employees in Hong Kong, welfare schemes as required by the applicable laws and regulations in the PRC and Tajikistan for employees in the PRC and Tajikistan respectively, personal insurance and discretionary bonus which are based on their performance and contribution to the Group. The Company adopted the share award scheme (the “Share Award Scheme”) to provide remuneration to its employees and directors of the Group as detailed in the Company’s announcement dated 8 July 2019. The Share Award Scheme expired in July 2024.

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

SHARE AWARD SCHEME

The share award scheme adopted by the Company on 8 July 2019 expired on 7 July 2024. No further awards may be granted thereunder, and there were no outstanding or unvested awards under the scheme as at 1 April 2025, 31 March 2026 and the date of this annual report.

RESOURCE AND RESERVE

ANHUI JINDING

LICENCES

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

OPERATIONS

During financial year ended 31 March 2026 ("FY2026"), a total of 1,080,294 tonnes of ores have been mined out, including 426,877 tonnes of copper-gold ores with an average grade of 0.72 g/t Au and 0.42% Cu, 622,626 tonnes of sulfur ores with an average grade of 20.68% S, 0.32 g/t Au and 0.07% Cu, and 30,791 tonnes of magnetite ores with an average grade of 17.56% Fe, 0.36 g/t Au and 0.03% Cu. All the raw ore produced in FY2026 was milled and processed in the Ore Processing Plant. Products produced include 11,349 tonnes of copper-gold concentrate at an average grade of 25.5 g/t Au and 18% Cu, 329,488 tonnes of S concentrate at an average grade of 46.14% S, and 23,600 tonnes of magnetite concentrate at an average grade of 62.59% Fe. Additionally, as of 31 March 2026, the gold extraction workshop ("GEW") had produced approximately 763.4 kg of 15% gold-containing sludge product from the calcined slag (iron concentrate enriched with recoverable gold).

EXPLORATION

During the FY2026, Anhui Jinding has drilled 3 surface drillholes and 38 underground drillholes for the purpose of production exploration (preparation for mining production and reconciliation), totaling about 4,887 m. Anhui Jinding's geologists performed logging and sampling, and the samples were all sent to its laboratory for chemical assay.

MINERAL RESOURCES

John Boyd Mining Consulting (Beijing) Company Limited ("BOYD") has collected and reviewed all available exploration data up to 31 March 2026. A resource model was established based on data from 110 surface drillholes, 105 underground drillholes and 94 underground grooving after data validation.

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

RESOURCE AND RESERVE

Mineral Resources Statement of Huangtun Pyrite Mine as of 31 March 2026

Category	Equivalent Cut-off Grade %	Tonnage (Mt)	TS (%)	Cu (%)	Au (g/t)
West Zone – Gold-Copper					
Resources – Measured	Cu: 0.35	4.74	7.08	0.25	0.70
Resources – Indicated	Cu: 0.35	2.84	7.44	0.31	0.91
Resources – Inferred	Cu: 0.35	1.68	7.83	0.32	0.97
Total	**Cu: 0.35**	**9.27**	**7.33**	**0.28**	**0.81**
East Zone – Pyrite					
Resources – Measured	S: 12	12.17	15.91	0.06	0.10
Resources – Indicated	S: 12	15.58	16.04	0.07	0.07
Resources – Inferred	S: 12	15.44	13.63	0.05	0.08
Total	**S: 12**	**43.18**	**15.14**	**0.06**	**0.08**

Notes:

1. Figures may not be added due to roundings.

2. The Mineral Resources are inclusive of Ore Reserves.

3. Estimated resources tonnages are in In-Place basis.

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

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

RESOURCE AND RESERVE

ORE RESERVES

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

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

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

The Ore Reserve statement is presented in table below.

Ore Reserve Statement of Huangtun Mine as of 31 March 2026

Category	Equivalent Cut-off Grade %	Tonnage (Mt)	TS (%)	Cu (%)	Au (g/t)
West Zone – Gold-Copper					
Reserves – Proved	Cu: 0.47	4.30	7.35	0.26	0.73
Reserves – Probable	Cu: 0.47	2.59	7.77	0.32	0.94
Total	**Cu: 0.47**	**6.88**	**7.51**	**0.28**	**0.81**
East Zone – Pyrite					
Reserves – Proved	S: 15.74	3.97	20.72	0.07	0.14
Reserves – Probable	S: 15.74	4.75	21.03	0.10	0.09
Total	**S: 15.74**	**8.72**	**20.89**	**0.08**	**0.11**

Notes:

1. The Mineral Resources are inclusive of Ore Reserves.

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

RESOURCE AND RESERVE

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

The aggregate mining rate for the East and West Zones is 1.0 Mtpa ore. The current underground development has reached six levels, which supports a mine production schedule for 16 years life of mine ("LoM") until 2042, shown in table below.

Proposed Life of Mining Schedule

Financial Year	Output (Mt)	Cu-Au Ore Tonnage (Mt)	Quality			S Ore Tonnage (Mt)	Quality		
			Cu (%)	Au (g/t)	S (%)		Cu (%)	Au (g/t)	S (%)
2027	1.00	0.62	0.42	0.76	7.34	0.38	0.12	0.12	17.68
2028	1.00	0.62	0.38	0.78	7.32	0.38	0.11	0.11	18.68
2029	1.00	0.62	0.25	0.77	7.74	0.38	0.08	0.10	20.44
2030	1.00	0.62	0.25	0.75	7.75	0.38	0.08	0.11	20.41
2031	1.00	0.62	0.25	0.75	7.75	0.38	0.08	0.09	21.25
2032	1.00	0.62	0.32	0.76	7.87	0.38	0.08	0.10	21.05
2033	1.00	0.62	0.28	0.75	7.83	0.38	0.08	0.10	21.08
2034	1.00	0.62	0.23	0.76	7.57	0.38	0.08	0.10	21.51
2035	1.00	0.62	0.27	0.83	7.48	0.38	0.08	0.10	21.51
2036	1.00	0.62	0.26	0.91	7.21	0.38	0.08	0.10	21.51
2037	1.00	0.62	0.22	1.05	6.84	0.38	0.08	0.10	21.41
2038	1.00	0.06	0.20	1.11	6.61	0.94	0.07	0.13	19.92
2039	1.00	–	–	–	–	1.00	0.09	0.14	20.50
2040	1.00	–	–	–	–	1.00	0.07	0.10	21.43
2041	1.00	–	–	–	–	1.00	0.09	0.14	21.62
2042	0.61	–	–	–	–	0.61	0.09	0.10	22.97

RESOURCE AND RESERVE

TIBET TIANREN

LICENCE

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

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

EXPLORATION

During the FY2026, Tibet Tianren has drilled 151 surface drillholes, totaling about 12,751 m. Historic exploration in the current mining licence area was done prior to 2011 and Tibet Tianren carried out systematic exploration and data compilation in 2022 and 2025. A total of 13 boreholes were drilled in 2022, with an aggregate length of about 7,300 m, including a hydrogeological hole of 555 m. In 2025, a total of 19 boreholes were drilled, with an aggregate length of about 11,402 m.

Tibet Tianren compiled and reviewed the historical data, and the valid database consists of 263 drillholes with a total of 44,319 samples available at the Project.

MINERAL RESOURCE ESTIMATION

Mineral Resource Estimation for the Bangpu Project within current mining licence area was done by BOYD. A cut-off grade of 0.03% Mo or 0.2% Cu was considered for "reasonable prospects for economic extraction" and the elevation limit above 4,000 m ASL was applied. As of 31 March 2026, the Mineral Resources at the Bangpu Project (within mining licence area) were reported in accordance with JORC Code (2012 edition); including about 128.75 million tonnes (Mt) of Measured Resources with an average grade of 0.204% Cu and 0.069% Mo, about 499.62 Mt of Indicated Resources with an average grade of 0.205% Cu and 0.065% Mo, and about 88.31 Mt Inferred Resources with an average grade of 0.202% Cu and 0.084% Mo.

RESOURCE AND RESERVE

Mineral Resource Statement, as of 31 March 2026

Category	Equivalent Cut-off Grade %	Tonnage (Mt)	Mo (%)	Cu (%)
Resources – Measured	Mo: 0.03 or Cu: 0.2	128.75	0.069	0.204
Resources – Indicated	Mo: 0.03 or Cu: 0.2	499.62	0.065	0.205
Resources – Inferred	Mo: 0.03 or Cu: 0.2	88.31	0.084	0.202
Total	**Mo: 0.03 or Cu: 0.2**	**716.68**	**0.067**	**0.206**

Notes:

1. Figures may not be added due to roundings.

2. The Mineral Resources are inclusive of Ore Reserves.

3. Estimated tonnage basis: Resources – In Place

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

ORE RESERVE

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

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

RESOURCE AND RESERVE

Ore Reserve Statement, as of 31 March 2026

Category	Equivalent Cut-off Grade %	Tonnage (Mt)	Mo (%)	Cu (%)
Reserves – Proved	Mo: 0.065	66.72	0.070	0.200
Reserves – Probable	Mo: 0.065	72.49	0.085	0.221
Total	**Mo: 0.065**	**139.21**	**0.078**	**0.211**

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

MINING

Trial mining was conducted in a very short period of a few months in 2006. No further mining was conducted in the following years. Bangpu Mine officially started mine construction in March 2025 and the construction project is expected to be completed by the end of 2026.

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

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

RESOURCE AND RESERVE

PROCESSING

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

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

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

TAILINGS

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

ENVIRONMENTAL AND SOCIAL

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

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

SUMMARY OF EXPENDITURE

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

Project	**Exploration**	**Development**	**Mining**
	RMB'000	RMB'000	RMB'000
Anhui Jinding	3,716	7,609	53,749
Tibet Tianren	14,657	–	–

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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

Code	Provisions Considered	Deviation	Reason for deviation
C.1.8	An issuer should arrange appropriate insurance cover in respect of legal action against its directors.	During the Year and as at the date of this annual report, the Company does not have insurance cover in respect of legal action against the Directors.	The Board is of the view that the Group has an established and efficient risk management and internal control system which could effectively minimise the Directors' risks of being sued or getting involved in litigations in their capacity as a Director. Nevertheless, as part of the Group's risk management and internal control procedures, the Board will review the need for insurance cover from time to time.
C.2.1	The roles of chairman and chief executive should be separate and should not be performed by the same individual.	Mr. Ma Tianyi is both the Chief Executive Officer and Chairman.	The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same individual can provide the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business strategies. Nevertheless, the Board will review the current corporate governance structure of the Group from time to time. If any candidate with suitable knowledge, skills and experience can be identified within or outside the Group, the Company may consider making necessary arrangements.

CORPORATE GOVERNANCE REPORT

COMPLIANCE OF CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

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

Board Composition

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

Executive Directors

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

Independent Non-executive Directors

Mr. Li Xu
Mr. Ha Suoku
Mr. Hu Jingqiang

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

The biographical details of the Directors and other senior management are set out on pages 33 to 37 of this annual report.

Appointment and Re-election of Directors

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

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

Directors' Responsibilities

The main responsibilities of the Board are set out below:

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

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

Board Independence

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Board meeting	**General meeting**
Total number of Board meetings held	4	1
Name of the Directors	**Attended/Eligible to attend**	
Executive Directors		
Mr. Ma Tianyi	4/4	1/1
Mr. Liu Fali	4/4	1/1
Ms. Qin Chunhong	4/4	1/1
Ms. Ma Ye	4/4	1/1
Mr. Ma Yong	4/4	1/1
Independent non-executive Directors		
Mr. Li Xu	4/4	1/1
Mr. Ha Suoku	4/4	1/1
Mr. Hu Jingqiang	4/4	1/1

Independence of the Independent Non-executive Directors

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

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

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

REMUNERATION COMMITTEE

A remuneration committee of the Company (the "Remuneration Committee") has been established with specific written terms of reference which deal clearly with its authority and duties in compliance with code provision E.1.2 of the Code. The Remuneration Committee is responsible for reviewing and developing the remuneration policies of the Directors and senior management to make recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and the senior management. The Remuneration Committee has adopted the approach under E.1.2(c)(ii) of the code provisions of the Code to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. As at 31 March 2026, the Remuneration Committee comprises three independent non-executive Directors and one executive Director, namely Mr. Hu Jingqiang, Mr. Ha Suoku, Mr. Li Xu and Ms. Qin Chunhong, respectively. The Remuneration Committee has been chaired by Mr. Li Xu. The Board has adopted a set of the revised terms of reference of the Remuneration Committee which are aligned with the provisions set out in the Code. The terms of reference of the Remuneration Committee setting out its authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange.

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

Total number of meetings held	1
Name of members	**Attended/Eligible to attend**
Mr. Li Xu *(Chairperson)*	1/1
Ms. Qin Chunhong	1/1
Mr. Ha Suoku	1/1
Mr. Hu Jingqiang	1/1

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

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

DIRECTORS' REMUNERATION

During the Year, total Directors' remuneration amounted to approximately RMB4.45 million (2025: RMB4.27 million). Details of the remuneration of the Directors for the Year are set out in note 9 to the consolidated financial statements. For the year ended 31 March 2026, none of the Directors has agreed with the Company to waive any remuneration.

AUDITORS' REMUNERATION

The Shareholders approved the resolution for the re-appointment of BDO Limited as the auditor of the Company for the year ended 31 March 2026 and authorizing the Board to determine its remuneration at the annual general meeting of the Company held on 19 September 2025. During the Year, details of the audit and non-audit services provided by the auditor to the Group are as follows.

Audit Service	The total fee charged for the audit of the Group's financial statements for the year ended 31 March 2026 was HK$2,820,000.
Non-audit Service	The total fees charged for providing the agreed-upon-procedures in respect of the Company's annual results announcement and interim financial statements were HK$10,000 and HK$150,000 respectively; the fee for assurance report on calculations of the discounted future estimated cash flows on the Turk-parida mine was HK$220,000.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and code provisions D.3.1 to D.3.7 of the Code. The primary duties of the Audit Committee are, among others, to review and supervise the financial reporting processes and internal control procedures of the Group and to provide advice and comments to the Board accordingly. As at 31 March 2026, the Audit Committee consists of the three independent non-executive Directors of the Company, namely Mr. Ha Suoku, Mr. Li Xu and Mr. Hu Jingqiang. The Audit Committee has been chaired by Mr. Li Xu whom has appropriate professional qualifications and experience in financial matters.

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

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

Total number of meetings held	3
Name of members	**Attended/Eligible to attend**
Mr. Li Xu *(Chairperson)*	3/3
Mr. Ha Suoku	3/3
Mr. Hu Jingqiang	3/3

During the Year and up to the date of this report, the Audit Committee reviewed the interim results and report of the Company for the six months ended 30 September 2025, and the annual report of the Group for the Year. The Audit Committee also reviewed the Group's risk management and internal control system, as well as the effectiveness of the issuer's internal audit function, for the Year. All issues raised by the Audit Committee are addressed and/or dealt with by the relevant member of the management team and the work, findings and recommendations of the Audit Committee are reported regularly to the Board. During the Financial Year, there was no disagreement between the Board and the Audit Committee regarding the external auditor and there was no issue of significant importance requiring disclosure in this report under the Listing Rules. The Group's annual results for the year ended 31 March 2026 had been reviewed by the Audit Committee and it is of the opinion that the consolidated financial statements of the Group for the Year comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made in the annual report of the Group for the Year.

NOMINATION COMMITTEE

The Company established a nomination committee (the "Nomination Committee") with written terms of reference in compliance with code provision B.3.1 of the Code. The primary duties of the Nomination Committee are, among others, reviewing the structure, size and composition and diversity of the Board of Directors on a regular basis (at least once a year) and making recommendations regarding any proposed changes, identifying and recommending individuals suitably qualified to become board members, and assessing the independence of independent non-executive Directors. As at 31 March 2026, the Nomination Committee consists of the three independent non-executive Directors of the Company, namely Mr. Ha Suoku, Mr. Li Xu, Mr. Hu Jingqiang and one executive director, Ms. Qin Chunhong. The Nomination Committee has been chaired by Mr. Ha Suoku.

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

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

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

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

Total number of meetings held	1

Name of the members	**Attended/Eligible to attend**
Mr. Ha Suoku *(Chairperson)*	1/1
Mr. Li Xu	1/1
Mr. Hu Jingqiang	1/1
Ms. Qin Chunhong	1/1

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

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE FUNCTIONS

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

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

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

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

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

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

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

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

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

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

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

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

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

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

ANTI-CORRUPTION AND WHISTLEBLOWING

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

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

COMPANY SECRETARY

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

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

DIVIDEND POLICY

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

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

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

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

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

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

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

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

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

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

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

BOARD MEMBERS AND EMPLOYEES (INCLUDING SENIOR MANAGEMENT) DIVERSITY POLICY

The Company adopted a board members and employees (including senior management) diversity policy (the "Diversity Policy") during the Year and the Nomination Committee is responsible for reviewing the Diversity Policy and the measurable objectives established for its implementation, and monitoring the progress towards achieving such objectives.

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

The Nomination Committee shall develop measurable objectives for implementing the Diversity Policy and make recommendations to the Board. The Nomination Committee shall also review the implementation and effectiveness of the Diversity Policy and the progress towards achieving the measurable objectives at least annually.

During the Year, the Company has achieved the following measurable objectives in respect of Board diversity:

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

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

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

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

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

During the Year, the Company maintained an effective Board comprising members of different genders, professional background and industry experience. During the Year, the Company consistently implemented the board diversity policy then in force prior to the adoption of the Diversity Policy and consistently implemented the Diversity Policy following its adoption. As at the date of this annual report, the Board consists of two female and six male Directors. The Board is of the view that the gender diversity in respect of the Board is satisfactory based on the board diversity policy.

The Company is committed to providing equal employment and promotion opportunities for all employees without regard to their gender, age, race, religion, cultural or educational background, place of ancestry or other relevant factors. In particular, the male to female ratio in the workforce level (including senior management) is approximately 4:1 as at the date of this annual report. The Board considers that the gender ratio is in line with the industry and the Company has achieved gender diversity in the workforce level. For further details in relation to the Company's employees, please refer to the Environmental, Social and Governance Report of the Company for the year ended 31 March 2026.

SHAREHOLDERS' RIGHTS

Procedure for the Shareholders to convene an extraordinary general meeting

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

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

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

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

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

INVESTOR RELATIONS

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

CORPORATE GOVERNANCE REPORT

CONSTITUTIONAL DOCUMENTS

Subsequent to 31 March 2026, at the extraordinary general meeting of the Company held on 28 April 2026, the Shareholders approved, among other things, the proposed change of domicile of the Company from the Cayman Islands to Hong Kong by way of deregistration in the Cayman Islands and continuation as a registered non-Hong Kong company/registered company in Hong Kong, and the proposed adoption of the new articles of association of the Company. The adoption of the new articles of association is conditional upon, among other things, the issue of the certificate of re-domiciliation by the Companies Registry in Hong Kong. As at the date of this annual report, the implementation of the change of domicile remains subject to the satisfaction of the relevant conditions.

CONCLUSION

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

DIRECTORS AND SENIOR MANAGEMENT PROFILE

EXECUTIVE DIRECTORS

Mr. Ma Tianyi (馬天逸), aged 31, is an executive Director, chairman, chief executive officer and one of the authorised representatives during the Year. He joined the Group on 1 March 2017 as an executive Director and has been appointed as the chief executive officer of the Company on 1 May 2021. He has also been appointed as the Chairman of the Board and authorised representative from 1 February 2023. He is a director of Shiny Ocean Holdings Limited ("Shiny Ocean") since January 2018. He graduated from Downing College, University of Cambridge in June 2016 with a Bachelor's Degree in Arts, specializing in Natural Sciences Tripos and obtained a Master of Business Administration degree from the University of Hong Kong in 2020.

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

Mr. Liu Fali (劉發利), aged 50, is an executive Director, the Chief Operating Officer and vice president of the Company. He is a senior blasting engineer. Mr. Liu is a director of certain subsidiaries of the Group. He graduated from Jilin Art Institute 吉林藝術學院 with a bachelor's degree. Mr. Liu has more than 23 years of experience in the civil explosives industry. From October 1997 to March 2000, he worked in 內蒙古東升廟化工廠 (Inner Mongolia Dong Sheng Miao Chemical Factory) (the predecessor of Dongyitai Chemical (as defined below) which was principally engaged in the manufacturing and sale of civil explosives). From March 2000 to April 2006, he was the manager of sales and procurement department of 東升廟伊泰化工有限責任公司 (Dong Sheng Miao Yitai Chemical Co., Ltd.) ("Dongyitai Chemical") in which he was responsible for the sales of civil explosives and procurement for production of civil explosives. From April 2006 to January 2008, he was promoted as the general manager of Dongyitai Chemical. Since January 2008, he worked as a general manager, chairman of the Board of 內蒙古盛安化工有限責任公司 (Inner Mongolia Shengan Chemical Limited) ("Shengan Chemical (Inner Mongolia)") in which he was responsible for management, business operation and safety operation. Mr. Liu was the assistant general manager and office supervisor of Shengshi Huaxuan from February 2012 to July 2013. From May 2015 to April 2023, he had been a director and in charge of the Tibet branch of 內蒙聚力工程爆破有限公司 (Inner Mongolia Juli Engineering and Blasting Services Limited). From December 2015 to present, he served as director of Inner Mongolia Juli Engineering and Blasting Services Limited.

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

Ms. Qin Chunhong (秦春紅), aged 53, is an executive Director, vice president, department head of Internal Audit, a member of Remuneration Committee and Nomination Committee and a director of certain subsidiaries of the Group. She joined the Group on 14 December 2012 as an executive Director. Ms. Qin obtained a bachelor's degree in economics from Henan Institute of Finance and Economics in June 2003. In July 2009, she obtained a master's degree in business administration from the School of Business Administration in Peking University. She has been a member (non-practicing) of the China Certified Tax Agents Association since September 2009 and a member (non-practicing) of the Chinese Institute of Certified Public Accountants since December 2000. Ms. Qin was the chief financial officer of 內蒙古雙利資源(集團)有限責任公司 (Inner Mongolia Shuangli Resources Group Co., Limited) from 2006 to 2009 and the chief financial officer of Western Mining Group (Hong Kong) Company Limited from 2005 to 2006. Since 2013, Ms. Qin has been the chief financial officer of 西藏福德圓實業集團有限公司 (Tibet Fudeyuan Trading Limited).

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Ms. Ma Ye (馬曄), aged 51, is an executive Director. Ms. Ma graduated from Inner Mongolia Higher Education Self-study Examination Chinese Language and Literature Education in 1996. From November 2007 to July 2013, she served as the administrative manager of Shengshi Huaxuan, responsible for daily administrative management and human resources. Since July 2013, she has been the general manager of Shengshi Huaxuan. Since 2016, she has been the chairman of Shenzhen Boyang Electronics Co., Ltd.

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

Mr. Ma Yong (馬永), aged 43, is an executive Director. He joined the Group on 14 April 2023 as an executive Director. Mr. Ma graduated from Wuhan Institute of Technology* (武漢工業學院) (currently known as Wuhan Polytechnic University (武漢輕工大學)) in PRC in June 2006 with a bachelor's degree of management. Mr. Ma obtained licence of human resources* (人力資源師) in February 2005, he has also passed the qualification examination for a tour guide in January 2006, and he was qualified as a junior blasting engineer* (初級爆破工程師) in March 2022. Mr. Ma has over 14 years of experience in corporate management. He has been the general manager of Tajikistan KM MUOSIR since March 2023. During the period of January 2021 to March 2023, he was the general manager of Shenzhen Boyang Science and Training Development Group Co., Ltd.* (深圳市博洋科貿發展集團有限公司); from November 2017 to January 2021, he was employed by Inner Mongolia Juli Engineering and Blasting Services Limited (內蒙聚力工程爆破有限公司) with his last position as the general manager; and from May 2008 to November 2017, he was employed by Hulumbeier Shengshi Mining Investment Co., Ltd.* (呼倫貝爾盛世礦業投資有限公司) with his last position as the general manager.

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

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

Mr. Ha Suoku (哈索庫), aged 53, has been appointed as an independent non-executive Director, chairperson of Nomination Committee, a member of Audit Committee and Remuneration Committee of the Company with effect from 1 December 2021. He graduated from Department of Economics, Inner Mongolia University in July 1994. He has over 30 years of securities and futures investment experience.

* *For identification purpose only*

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Mr. Li Xu (李煦), aged 52, has been appointed as an independent non-executive Director, and a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company with effect from 20 April 2023. Mr. Li has been re-designated as chairperson of Audit Committee and Remuneration Committee with effect from 28 February 2025. Mr. Li received a bachelor's degree in Economics (International Business Management profession) from the University of International Business and Economics in Beijing (北京對外經濟貿易大學) in July 1997, a master degree in Finance from the Boston College in December 1998 and a degree of doctor of philosophy in accounting from Massachusetts Institute of Technology's Sloan School of Management in June 2004.

Between January to August 1999, Mr. Li worked as a financial analyst in Lucent Technologies Inc., a company which was formerly listed on the New York Stock Exchange. Mr. Li served as an assistant professor of The University of Texas at Dallas from July 2004 to August 2010 and was the assistant professor of Lehigh University from August 2010 to June 2012. Mr. Li has been an associate professor of the Faculty of Business and Economics at the University of Hong Kong since July 2012, where he is mainly involved in imparting practical knowledge in the commercial world during the teaching of accounting and financial management courses. He is also currently the program director of executive master of business administration offered by the University of Hong Kong, where he is responsible for project management and promoting accounting, business and finance education towards the development of the business and finance profession and human capital. Mr. Li became a member of the American Accounting Association since September 2002. Since October 2003, he has obtained the Certified Financial Analyst (CFA) qualification from the CFA Institute (formerly known as the Association for Investment Management and Research). Mr. Li serves as an independent non-executive director of China Tianbao Group Development Company Limited (stock code: 1427) since November 2019, China Kangda Food Company Limited (stock code: 834) since August 2020 to July 2023, China South City Holdings Limited (stock code: 1668) since May 2023 (All powers ceased upon making of the winding-up order by the High Court of the Hong Kong Special Administrative Region to wind up the Company on 11 August 2025.), which are all listed on the Stock Exchange. Save as disclosed above, Mr. Li did not hold any directorship in any listed public companies in the past three years.

Mr. Hu Jingqiang (胡敬強), aged 40, has been appointed as an independent non-executive Director, a member of each of Audit Committee, Nomination Committee and Remuneration Committee of the Company with effect from 28 February 2025. Mr. Hu graduated from Central South University with a Master's degree in Mining Engineering. Now currently pursuing a PhD degree in Mining Engineering at Central South University. Mr. Hu is a senior engineer of mining engineering. From June 2007 to June 2011, he worked at Zijin (Xiamen) Engineering Design Co., Ltd. 紫金（廈門）工程設計有限公司 as the head of the mining profession and a mining design technician. From July 2011 to March 2023, he worked at Sichuan Metallurgical Design and Research Institute 四川省冶金設計研究院 as the Vice President of the Mining Branch. From April 2023 to present, he has been serving as the General Manager of Sichuan Branch of Xinjiang Nonferrous Metallurgy Design and Research Institute Co., Ltd. 新疆有色冶金設計研究院有限公司四川分公司.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

SENIOR MANAGEMENT

Mr. Wang Xunqing (王訓青), aged 60, holds a bachelor's degree and is a senior engineer. From October 2025, he served as Vice President of Pizu Group Holdings Company and General Manager of the Mining Business Division.

From 1988 to 1998, he worked at Anqing Copper Mine of Tongling Nonferrous Metals Company, serving successively as staff member and deputy director of the Mechanical Department, deputy section chief, section chief, assistant engineer, engineer, and senior engineer of the Machinery and Transportation Section; from 1998 to 2004, he worked at Chambishi Copper Mine in Zambia, a subsidiary of China Nonferrous Metals Corporation, serving successively as head of electrical engineering, dispatcher, operations manager, machine repair shop manager, assistant general manager, and deputy general manager of the Congo (DRC) project; from 2005 to 2008, he served as deputy general manager of the DRC project of Western Mining; from 2008 to 2019, he served successively as general manager, party secretary and executive director of Western Copper Industry of Western Mining Group, and chairman of Western Copper Materials and Shuangli Iron Mine, vice president and general manager of the mining division of Western Mining Co., Ltd.; from 2019 to 2023, he served as chief engineer of Western Mining Group, and since 2020, he has also served as general manager of the Science and Technology Development Company. From April 2023 to September 2025, he served as Chairman of Tibet Tianren Mining Company.

Mr. Yan Zhihe (閆志賀), aged 60, is the chief engineer of Shengan Chemical (Inner Mongolia) and is responsible for the production technologies, safety, processes and equipment management of the company. Mr. Yan obtained a bachelor's degree majoring in explosives and related technology in 淮南礦業學院 (Huainan Mining Institute) (currently known as 安徽理工大學 (Anhui University of Science & Technology)) in July 1990. He was qualified as a 國家質量工程師 (national quality engineer) and 國家註冊安全工程師 (national certified safety engineer) in December 2002 and January 2006 respectively. From July 1990 and February 2005, he held various positions such as engineer, senior engineer and technical supervisor in 開灤礦務局 (Kailung Coal Mining Bureau), a production base of cleaned coal in the PRC. From February 2005 to April 2007, he worked as an assistant general manager in 承德興湘化工有限公司 (Chengde Xing Xiang Chemical Co., Limited) (currently known as 河北興安民爆有限公司 (Hebei Xingan Civil Explosives Co., Limited), which was then principally engaged in the production of civil explosives. Before he joined the Group in August 2009, he was an assistant general manager of 內蒙古日盛民爆集團有限公司 (Inner Mongolia Ri Sheng Civil Explosives Co., Limited) (which was principally engaged in the production of civil explosives) from April 2007 to July 2009 during which he was responsible for technical support, quality and safety management.

Mr. Song Kaidong (宋凱東), aged 42, was appointed as the general manager of Anhui Jinding Mining Co., Ltd. in May 2025, assuming full responsibility for Anhui Jinding's safety production and operational management. Mr. Song Kaidong graduated from the Mining Engineering programme at the University of Science and Technology Beijing in January 2012, obtaining a master's degree and qualification. He holds certifications as a First-grade Certified Constructor (一級建造師) (Mining Engineering), Intermediate Blasting Engineer (中級爆破工程師), and Intermediate Engineer in Mine Geology and Mineral Processing. From January 2012 to August 2013, Mr. Song Kaidong worked at the Economic Operations Department of 新興發展集團有限公司 (Xinxing Development Group Co., Ltd.), primarily responsible for setting task indicators for subsidiary production enterprises and conducting economic analyses of project investments. From September 2013 to October 2015, he worked at 首雲礦業股份有限公司 (Shouyun Mining Co., Ltd.), primarily responsible for technical and quality-related work in mining operations. From November 2015 to July 2019, he served as general manager of 內蒙古聚力工程爆破有限公司西藏分公司 (the Tibet Branch of Inner Mongolia Juli Engineering Blasting Co., Ltd.), primarily responsible for project operations and management. From August 2019 to April 2023, he served as general manager of 陝西小山川礦產資源開發有限公司 (Shaanxi Xiaoshanchuan Mineral Resources Development Co., Ltd.), comprehensively responsible for safety production and operational management. From May 2023 to May 2025, he served as executive vice president of Tibet Tianren Mining Co., Ltd., primarily responsible for mine department operations and handling of mine-related administrative approval procedures.

COMPANY SECRETARY

Ms. Shen Tianwei (MAPAIS, HKICPA, CICPA) (沈天蔚), aged 53, is company secretary and one of the authorised representatives of the Company. Prior to joining the Group in August 2006, she has over 13 years of auditing, accounting and financial management experience in Big 4 and other sizable corporations. She has a Master's degree in Professional accounting and information system from City University of Hong Kong and is an associate member (non-practising) of both the Hong Kong Institute of Certified Public Accountants and Chinese Institute of Certified Public Accountants.

DIRECTORS' REPORT

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

BUSINESS REVIEW

A review of the Group's business, description of the principal risks and uncertainties facing by the Group, and discussion on the future development in the Group's business are set out in the section headed "Management Discussion and Analysis" of this annual report. The financial risk management of the Group is set out in notes 41 and 42 to the consolidated financial statements.

PRINCIPAL ACTIVITIES

The principal activity of the Company continued to be investment holding. Details of the principal activities of the Group's subsidiaries are set out in note 44 to the consolidated financial statements.

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

RESULTS AND APPROPRIATIONS

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

The financial position of the Group as at 31 March 2026 are set out in the consolidated statement of financial position on pages 59 to 60.

The Board recommends the payment of final dividend of HK$0.028 per share (2025: HK$0.015 per share) in respect of the Year (the "Proposed Final Dividend"). The Proposed Final Dividend, if approved, shall be payable on Friday, 4 December 2026 and is subject to the approval of the shareholders of the Company at the annual general meeting of the Year ("2026 AGM"). The shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 8 October 2026 will be entitled to the Proposed Final Dividend.

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

CLOSURE OF REGISTER OF MEMBERS

a. For determining the entitlement of the shareholders to attend and vote at the 2026 AGM

The register of members of the Company will be closed from Tuesday, 8 September 2026 to Friday, 11 September 2026 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the Annual General Meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 7 September 2026. The record date for the attending and voting at the meeting is Friday, 11 September 2026.

b. For determining the entitlement to the Proposed Final Dividend

The register of members of the Company will be closed from Monday, 5 October 2026 to Thursday, 8 October 2026 (both days inclusive), during which no transfer of shares of the Company will be effected. In order to qualify to receive the Proposed Final Dividend, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 2 October 2026. The record date for determining the entitlement to the Final Dividend is Thursday, 8 October 2026.

FINANCIAL SUMMARY

A summary of the financial performance and the assets and liabilities of the Group for the last five financial years is set out on page 164 of this annual report. This summary does not form part of the audited consolidated financial statements of the Group for the Year.

RESERVES

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

DISTRIBUTABLE RESERVES

As at 31 March 2026 and 2025, the Company's distributable reserves, subject to a solvency test, amounted to approximately RMB799 million and RMB804 million respectively.

SHARE CAPITAL

Details of movements in share capital of the Company during the Year are set out in note 33 to the consolidated financial statements.

CHARITABLE DONATIONS

During the Year, the Group made charitable donations totalling RMB2.06 million (2025: RMB4.06 million).

TAX RELIEF AND EXEMPTION

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

DIRECTORS' REPORT

DIRECTORS

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

Executive Directors

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

Independent non-executive Directors

Mr. Li Xu
Mr. Ha Suoku
Mr. Hu Jingqiang

In accordance with articles 83(3) and 84(1) of the Company's articles of association, Ms. Qin Chunhong, Mr. Ma Yong and Mr. Ha Suoku will retire as Directors by rotation at the forthcoming annual general meeting, and being eligible, will offer themselves for re-election as Directors at the forthcoming annual general meeting of the Company.

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

CHANGES IN DIRECTORS' INFORMATION

There was no changes in the Directors' information in respect of the period between the publication date of the 2025 annual report and this report, which are required to be disclosed pursuant to the requirement of Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND SENIOR MANAGEMENTS' REMUNERATION

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

Remuneration band	**Number of senior management**
Nil to HK$1,000,000	2
HK$1,000,001 to HK$1,500,000	1
HK$2,000,001 to HK$2,500,000	1
	4

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

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

MANAGEMENT CONTRACTS

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

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

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

DIRECTORS' SERVICE CONTRACTS

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

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

DIRECTORS' REPORT

MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the Year, except as disclosed in the section headed "Connected Transactions" in this directors' report and note 37 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the Year.

DIRECTORS' INTERESTS IN CONTRACTS

During the Year, except as disclosed in the section headed "Connected Transactions" in this directors' report and note 37 to the consolidated financial statements, none of the Directors is or was materially interested, directly or indirectly, in any contract or arrangement subsisting during the Year or as at 31 March 2026 which was significant in relation to the business of the Group.

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

As at 31 March 2026, the interests or short positions of the Directors and the chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which is taken or deemed to have under such provisions of the SFO), or which were required, to be entered in the register required to be kept under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

The Company – interests in Shares and underlying Shares

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

Name of Director	Capacity/nature of interest	Number and class of securities held *(Note 1)*	Approximate percentage of shareholding *(Note 2)*
Mr. Liu Fali	Beneficial owner	242,415,854 ordinary shares (L)	6.81%
	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1)(a) and 318 of the SFO	1,707,147,368 ordinary shares (L) *(Note 3)*	47.97%
Ms. Qin Chunhong	Interest of a controlled corporation *(Note 5)*	34,024,908 ordinary shares (L)	0.96%
	Beneficial owner	2,540,000 ordinary shares (L)	0.07%
Ms. Ma Ye	Beneficial owner	126,005,000 ordinary shares (L)	3.54%
	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1)(a) and 318 of the SFO	1,823,558,222 ordinary shares (L) *(Note 3)*	51.24%
Mr. Ma Yong	Beneficial owner	169,000 ordinary shares (L)	0.005%

Notes:

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

2. The percentage of shareholding is calculated based on the number of issued shares of the Company as at 31 March 2026.

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

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

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

Save as disclosed above, as at 31 March 2026, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of, the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were otherwise required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

So far as is known to any Director or chief executive of the Company, as at 31 March 2026, the following persons (other than the Directors or chief executive of the Company as disclosed above) had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions in shares

Name of shareholder	Capacity/nature of interest	Number and class of securities held *(Note 1)*	Approximate percentage of shareholding *(Note 2)*
Shiny Ocean	Beneficial owner	1,361,516,331 ordinary shares (L)	38.26%
Ma Family Holdings Co. Limited	Interest of a controlled corporation	1,361,516,331 ordinary shares (L) *(Note 3)*	38.26%
Equity Trustee Limited	Trustee (other than a bare trustee)	1,361,516,331 ordinary shares (L) *(Note 3)*	38.26%
Mr. Ma Suocheng	Beneficiary of a trust	1,361,516,331 ordinary shares (L) *(Note 3)*	38.26%
	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1)(a) and 318 of the SFO	588,046,891 ordinary shares (L) *(Note 4)*	16.52%
Ms. Ma Xia	Beneficial owner	172,166,037 ordinary shares (L)	4.84%
	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1)(a) and 318 of the SFO	1,777,397,185 ordinary shares (L) *(Note 4)*	49.94%
Mr. Ma Qiang	Founder of a discretionary trust	1,361,516,331 ordinary shares (L) *(Note 3)*	38.26%
	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1)(a) and 318 of the SFO	540,586,891 ordinary shares (L) *(Note 3)*	15.19%
	Interest of spouse	47,460,000 ordinary shares (L) *(Note 5)*	1.33%

Name of shareholder	Capacity/nature of interest	Number and class of securities held *(Note 1)*	Approximate percentage of shareholding *(Note 2)*
Mr. Yang Tao	Beneficial owner	272,619,268 ordinary shares (L)	7.66%
Mr. Li Man	Beneficial owner	205,299,268 ordinary shares (L)	5.77%
Mr. Lv Wenhua	Beneficial owner	240,396,854 ordinary shares (L)	6.76%

Notes:

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

2. The percentage of shareholding is calculated based on the number of issued shares of the Company as at 31 March 2026.

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

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

5. Ms. Chen Qiujie is the spouse of Mr. Ma Qiang, Mr. Ma Qiang was deemed to be interested in the shares in which Ms. Chen Qiujie was interested by virtue of the SFO.

Save as disclosed herein, as at 31 March 2026, the Company had not been notified of any other person (other than the Directors or chief executive of the Company) who had a discloseable interest or short position in the Shares as recorded in the register which was required to be kept under section 336 of the SFO concerning persons carrying rights to vote in all circumstances at general meetings of any other members of the Group.

ISSUE OF SECURITIES

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

PRE-EMPTIVE RIGHTS

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

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

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

The Company did not have any treasury shares as at 31 March 2026.

EMOLUMENT POLICY

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

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

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

RETIREMENT BENEFIT COST

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

PERMITTED INDEMNITY PROVISIONS

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

CONNECTED TRANSACTION

On 9 February 2026, Pizu Industrial Company Limited, an indirect wholly-owned subsidiary of the Company, entered into a loan agreement with Kanzi Diyor, pursuant to which Pizu Industrial agreed to make available to Kanzi Diyor a loan facility with a principal amount of up to USD80 million for the construction and operation of the Mining Project. The loan facility is interest-free and has no fixed repayment date, and is intended to be converted into equity interest in Kanzi Diyor subject to the satisfaction of the relevant conditions.

As at 31 March 2026, the aggregate amount provided by the Group to Kanzi Diyor under the relevant arrangements and remaining outstanding was approximately USD16.0 million. Such amount was provided for the construction and operation of the mining project.

The obligations of Avesto Group and Kanzi Diyor under the relevant arrangements are secured by a pledge by Avesto Group of 45% of its equity interest in Kanzi Diyor. The amount provided as at 31 March 2026 was funded by the Group's internal resources, and any further funding to be provided under the relevant arrangements is expected to be funded by the Group's internal resources. As at 31 March 2026, the Group had not provided any guarantee in respect of any banking or other facilities granted to Kanzi Diyor.

Further details of the relevant arrangements and the summarised statement of financial position of Kanzi Diyor, together with the Group's attributable interest therein, are set out in note 20 to the consolidated financial statements.

As disclosed in the announcements of the Company dated 9 February 2026 and 9 March 2026, the transaction constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules and a connected transaction of the Company under Chapter 14A of the Listing Rules. As the relevant connected persons are connected persons at the subsidiary level, and the Board (including independent non-executive Directors) had approved the transaction and confirmed that the terms were fair and reasonable, on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, the transaction was subject to reporting and announcement requirements but was exempt from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

The related party transactions mentioned in note 37 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions of the Company which are required to be disclosed under Chapter 14A of the Listing Rules and do not constitute connected transactions that are not fully exempted under Rule 14A.73 of the Listing Rules except for those related party transactions between the Group and their connected persons as disclosed above which constituted connected transaction or continuing connected transactions, and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

Save as disclosed in this annual report, there were no connected transactions or continuing connected transactions which are required to be disclosed by the Company during the year ended 31 March 2026 in accordance with the disclosure requirements under Chapter 14A of the Listing Rules.

COMPETING INTERESTS

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

SUFFICIENCY OF PUBLIC FLOAT

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

SEGMENT INFORMATION

An analysis of the principal activities and geographical locations of operations of the Group for the Year is set out in note 14 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

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

Sales	**Percentage to total sales of the Group (%)**
– The largest customer of the Group	23%
– Five largest customers in aggregate	50%

Purchases	**Percentage to total purchases of the Group (%)**
– The largest supplier of the Group	10%
– Five largest suppliers in aggregate	34%

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

ENVIRONMENTAL PROTECTION

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

DIRECTORS' REPORT

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

RELATIONSHIPS WITH KEY STAKEHOLDERS

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

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in note 45 to the consolidated financial statements, there is no significant event affecting the Group after the reporting period and up to the date of this annual report.

AUDITOR

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

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

On behalf of the Board

Ma Tianyi
Chairman and Chief Executive Officer

Hong Kong, 26 June 2026

INDEPENDENT AUDITOR'S REPORT

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TO THE MEMBERS OF PIZU GROUP HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Pizu Group Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 57 to 163, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

BDO Limited
香港立信德豪會計師事務所有限公司

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

KEY AUDIT MATTERS (Continued)

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

Refer to notes 3.11, 4.1(ii), 18 and 19 to the consolidated financial statements

At the reporting date, management performed impairment assessment on the goodwill and other non-current assets of two subsidiaries, namely Anhui Jinding Mining Co., Ltd ("Anhui Jinding") and Tibet Tianren Mining Company Limited ("Tibet Tianren"), which represent two cash-generating units in the mining operation segment (the "mining operation CGUs") of the Group. The goodwill and other non-current assets are assigned to the respective mining operation CGUs to which they belong for the purpose of impairment assessment. As at 31 March 2026, the carrying value of the goodwill, mining rights and property, plant and equipment related to the mining operation CGUs were RMB42,632,000, RMB528,389,000 and RMB2,516,402,000 respectively.

Recoverable amount is the higher of fair value less costs of disposal and value in use. At 31 March 2026, the recoverable amounts of the mining operation CGUs were determined by the management using fair value less costs of disposal basis. The Group uses income approach to estimate the fair value less costs of disposal of the mining operation CGUs, which requires the management to prepare cash flow projections based on the updated mine production plan of the mining operation CGUs. The preparation of the cash flow projections requires the exercise of significant judgement and estimates by the management in adoption of assumptions, including estimation of mineral reserves, the expected tonnes and grade of mineral mined, long-term commodity prices, production costs, operating expenditure, capital expenditure as well as appropriate discount rate. Estimation uncertainty is considered to be significant due to the long lives of the assets and uncertainty in the timing of future cash flows. In performing the impairment assessment, management was assisted by the external specialists on the part of the mineral resources and reserves estimation and valuations of the cash flow projections.

Based on the impairment assessment, management concluded that no impairment provision was required for Anhui Jinding and Tibet Tianren for the year ended 31 March 2026.

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

Our response:

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

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

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

KEY AUDIT MATTERS (Continued)

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

Our response: (Continued)

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

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

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

(vi) validating key inputs and assumptions adopted in the cash flow projections to supporting evidences including checking to the technical report of the mine and checking the market prices of commodities;

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

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

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

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

INDEPENDENT AUDITOR'S REPORT

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, 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.

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

BDO Limited
Certified Public Accountants

Lee Ming Wai
Practising Certificate Number P05682

Hong Kong, 26 June 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	2026 RMB'000	2025 RMB'000
Revenue	5	**1,536,992**	1,695,507
Cost of goods sold and services provided		**(898,060)**	(976,682)
Gross profit		**638,932**	718,825
Other income	6	**116,378**	38,514
Selling and distribution expenses		**(32,888)**	(55,848)
Administrative and other operating expenses		**(260,411)**	(247,376)
Other (losses)/gains			
Impairment loss on trade receivables	23	**–**	(21,852)
(Impairment loss)/reversal of impairment loss on other receivables	24	**(200)**	1,192
Impairment loss on amount due from a joint venture	20(e)	**(3,882)**	–
Gain on deregistration of a branch		**9,172**	–
Profit from operations	7	**467,101**	433,455
Finance costs	11	**(5,085)**	(5,193)
Share of loss of a joint venture	20(c)	**(980)**	–
Share of (loss)/profit of associates	21	**(2,508)**	18,146
Profit before income tax		**458,528**	446,408
Income tax expense	12	**(101,959)**	(121,031)
Profit for the year		**356,569**	325,377
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Exchange differences arising from:			
– translation of Company's financial statements to presentation currency		**(7,657)**	4,335
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising from:			
– translation of foreign operations		**10,341**	(1,216)
Other comprehensive income for the year		**2,684**	3,119
Total comprehensive income for the year		**359,253**	328,496

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Note	**2026** **RMB'000**	2025 RMB'000
Profit attributable to:			
Owners of the Company		**204,885**	164,117
Non-controlling interests		**151,684**	161,260
		356,569	325,377
Total comprehensive income attributable to:			
Owners of the Company		**203,015**	166,505
Non-controlling interests		**156,238**	161,991
		359,253	328,496
		RMB	RMB
Basic and diluted earnings per share	13	**0.058**	0.047

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 RMB'000	2025 RMB'000
Non-current assets			
Property, plant and equipment	15	**2,816,810**	2,198,341
Right-of-use assets	16(a)	**41,867**	45,108
Prepayments and other receivables	24	**203,739**	198,139
Deferred tax assets	17	**57,870**	44,228
Goodwill	18	**42,632**	42,632
Other intangible assets	19	**707,462**	705,309
Interests in joint ventures	20	**615,422**	–
Interests in associates	21	**71,842**	64,550
		4,557,644	3,298,307
Current assets			
Inventories	22	**109,410**	86,185
Trade and bills receivables	23	**236,128**	401,187
Other receivables, prepayments and deposits	24	**270,519**	149,904
Amounts due from associates	21(d)	**11,022**	24,156
Amounts due from joint ventures	20(e)	**15,862**	4,888
Income tax recoverable		**1,448**	–
Restricted bank balances	26	**6,000**	6,240
Cash and cash equivalents	26	**746,589**	632,545
		1,396,978	1,305,105
Current liabilities			
Trade payables	28	**260,476**	302,675
Other payables and accruals	29	**719,446**	971,292
Contract liabilities	29	**140,912**	52,051
Borrowings	27	**385,565**	199,310
Dividend payable		**8,152**	6,972
Lease liabilities	16(b)	**614**	2,734
Contingent consideration payable	20(b)	**208,200**	–
Amount due to a related company	25	**–**	5,280
Amount due to a shareholder	25	**30,901**	14,662
Amount due to a director	25	**12,056**	–
Income tax payable		**41,404**	46,319
		1,807,726	1,601,295

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 RMB'000	2025 RMB'000
Net current liabilities		**(410,748)**	(296,190)
Total assets less current liabilities		**4,146,896**	3,002,117
Non-current liabilities			
Other payables	29	**19,440**	29,150
Borrowings	27	**1,044,997**	697,228
Lease liabilities	16(b)	**–**	481
Contingent consideration payable	20(b)	**65,125**	–
Amounts due to related companies	25	**571,422**	73,530
Deferred tax liabilities	17	**11,935**	10,880
Provision	30	**16,127**	15,360
		1,729,046	826,629
Net assets		**2,417,850**	2,175,488
Capital and reserves			
Share capital	33	**40,259**	40,259
Reserves	34	**1,192,229**	1,006,730
		1,232,488	1,046,989
Non-controlling interests	35	**1,185,362**	1,128,499
Total equity		**2,417,850**	2,175,488

On behalf of the Board

Mr. Ma Tianyi
Director

Ms. Shen Tianwei
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	2026 RMB'000	2025 RMB'000
Cash flows from operating activities		
Profit before income tax	**458,528**	446,408
Adjustments for:		
Amortisation of intangible assets	**13,985**	17,040
Depreciation for property, plant and equipment	**117,368**	104,869
Depreciation for right-of-use assets	**3,190**	3,255
Gain on disposal of property, plant and equipment, net	**(1,144)**	(923)
Gain on deregistration of a branch	**(9,172)**	–
Impairment loss on trade receivables	**–**	21,852
Impairment loss/(reversal of impairment loss) on other receivables	**200**	(1,192)
Impairment loss on amount due from a joint venture	**3,882**	–
Interest income	**(2,301)**	(7,654)
Waiver income	**–**	(8,655)
Income on the release of the provision of the legal obligation	**–**	(9,544)
Write-off of prepayments	**–**	3,548
Finance costs	**5,085**	5,193
Share of loss/(profit) of associates	**2,508**	(18,146)
Share of loss of a joint venture	**980**	–
Unrealised profit on sales to a joint venture	**1,082**	–
Net exchange differences	**(2,141)**	(1,806)
Operating profit before working capital changes	**592,050**	554,245
(Increase)/decrease in inventories	**(23,225)**	32,172
Decrease/(increase) in trade and bills receivables	**165,059**	(34,555)
(Increase)/decrease in other receivables, prepayments and deposits	**(100,815)**	19,212
Decrease in trade payables	**(42,199)**	(72,034)
Increase in other payables and accruals	**123,604**	77,023
Decrease in amounts due from associates	**2,634**	8,128
Cash generated from operations	**717,108**	584,191
Income tax paid	**(120,909)**	(70,180)
Net cash generated from operating activities	**596,199**	514,011

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Notes	2026 RMB'000	2025 RMB'000
Cash flows from investing activities			
Interest received		**2,301**	6,093
Proceeds from disposal of property, plant and equipment		**24,377**	1,816
Increase in amounts due from joint ventures		**(14,856)**	(2,050)
Purchase of property, plant and equipment		**(735,730)**	(232,582)
Increase in prepayments for purchase of property, plant and equipment and land use right		**(5,600)**	(132,274)
Purchase of other intangible assets	38(b)	**(13,730)**	(28,120)
Investment in a joint venture	38(c)	**(96,127)**	–
Dividend received from associates	21	**700**	4,169
Release of/(increase in) restricted bank balance		**240**	(3,609)
Net cash used in investing activities		**(838,425)**	(386,557)
Cash flows from financing activities			
Dividend paid	38(e)	**(46,969)**	(31,657)
Dividend paid to non-controlling interests	38(a)	**(113,484)**	(31,857)
Contribution from non-controlling interests		**–**	165,000
Proceeds from borrowings	38(e)	**983,800**	335,260
Repayment of borrowings	38(e)	**(450,558)**	(184,900)
Interest paid for bank borrowings	38(e)	**(25,146)**	(13,004)
Lease payments	38(e)	**(2,586)**	(4,735)
Advance from related companies		**48,392**	–
Repayments to related companies	38(e)	**(93,780)**	(6,720)
Advance from a shareholder	38(e)	**17,745**	–
Repayment to a shareholder	38(e)	**(137)**	(32,479)
Advance from a director	38(e)	**12,467**	–
Proceeds from disposal of treasury shares	33	**–**	32,800
Proceeds from partial disposal of equity interest in a subsidiary	31	**25,170**	50,000
Net cash generated from financing activities		**354,914**	277,708
Net increase in cash and cash equivalents		**112,688**	405,162
Cash and cash equivalents at beginning of the year		**632,545**	223,776
Effect of exchange rate changes on cash and cash equivalents		**1,356**	3,607
Cash and cash equivalents at end of the year		**746,589**	632,545

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Equity attributable to owners of the Company												
	Share capital RMB'000	Treasury shares RMB'000	Share premium* RMB'000 (note 34(a))	Capital distributable reserve* RMB'000 (note 34(b))	Contributed surplus* RMB'000 (note 34(c))	Restructuring reserve* RMB'000 (note 34(d))	Merger reserve* RMB'000 (note 34(e))	Foreign currency translation reserve* RMB'000 (note 34(f))	Statutory and other reserves* RMB'000 (notes 34(g) and (h))	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 April 2024	40,259	(27,640)	497,218	25,141	933	89,227	(613,604)	(42,447)	48,141	831,563	848,791	842,895	1,691,686
Profit for the year	–	–	–	–	–	–	–	–	–	164,117	164,117	161,260	325,377
Other comprehensive income:													
Exchange differences from:													
– translation of Company's financial statements to presentation currency	–	–	–	–	–	–	–	4,335	–	–	4,335	–	4,335
– translation of foreign operations	–	–	–	–	–	–	–	(1,947)	–	–	(1,947)	731	(1,216)
Total comprehensive income for the year	–	–	–	–	–	–	–	2,388	–	164,117	166,505	161,991	328,496
Transactions with owners:													
Dividends declared or approved	–	–	(32,740)	–	–	–	–	–	–	–	(32,740)	–	(32,740)
Partial disposal of equity interest in a subsidiary (note 31)	–	–	–	–	–	–	–	–	31,633	–	31,633	18,367	50,000
Disposal of treasury shares (note 33)	–	27,640	5,160	–	–	–	–	–	–	–	32,800	–	32,800
Dividends declared to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(59,754)	(59,754)
Contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	165,000	165,000
	–	27,640	(27,580)	–	–	–	–	–	31,633	–	31,693	123,613	155,306
Transfer to statutory and other reserves	–	–	–	–	–	–	–	–	96,979	(96,979)	–	–	–
Utilisation of other reserves	–	–	–	–	–	–	–	–	(35,012)	35,012	–	–	–
At 31 March 2025	40,259	–	469,638	25,141	933	89,227	(613,604)	(40,059)	141,741	933,713	1,046,989	1,128,499	2,175,488

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Equity attributable to owners of the Company												
	Share capital RMB'000	Treasury shares RMB'000	Share premium* RMB'000 (note 34(a))	Capital distributable reserve* RMB'000 (note 34(b))	Contributed surplus* RMB'000 (note 34(c))	Restructuring reserve* RMB'000 (note 34(d))	Merger reserve* RMB'000 (note 34(e))	Foreign currency translation reserve* RMB'000 (note 34(f))	Statutory and other reserves* RMB'000 (notes 34(g) and (h))	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 April 2025	40,259	–	469,638	25,141	933	89,227	(613,604)	(40,059)	141,741	933,713	1,046,989	1,128,499	2,175,488
Profit for the year	–	–	–	–	–	–	–	–	–	204,885	204,885	151,684	356,569
Other comprehensive income:													
Exchange differences from:													
– translation of Company's financial statements to presentation currency	–	–	–	–	–	–	–	(7,657)	–	–	(7,657)	–	(7,657)
– translation of foreign operations	–	–	–	–	–	–	–	5,787	–	–	5,787	4,554	10,341
Total comprehensive income for the year	–	–	–	–	–	–	–	(1,870)	–	204,885	203,015	156,238	359,253
Transactions with owners:													
Dividends declared or approved	–	–	(48,577)	–	–	–	–	–	–	–	(48,577)	–	(48,577)
Partial disposal of equity interest in a subsidiary (note 31)	–	–	–	–	–	–	–	–	31,061	–	31,061	14,109	45,170
Dividends declared to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(113,484)	(113,484)
	–	–	(48,577)	–	–	–	–	–	31,061	–	(17,516)	(99,375)	(116,891)
Transfer to statutory and other reserves	–	–	–	–	–	–	–	–	143,763	(143,763)	–	–	–
Utilisation of other reserves	–	–	–	–	–	–	–	–	(72,018)	72,018	–	–	–
At 31 March 2026	40,259	–	421,061	25,141	933	89,227	(613,604)	(41,929)	244,547	1,066,853	1,232,488	1,185,362	2,417,850

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2026

1. CORPORATE INFORMATION

Pizu Group Holdings Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Unit 07, 21/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

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

The Company and its subsidiaries (collectively, the "Group") are principally engaged in manufacturing and sale of explosives, provision of blasting operations and related services and mining operation.

The consolidated financial statements for the year ended 31 March 2026 were approved and authorised for issue by the directors on 26 June 2026.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

2.1 Adoption of amended HKFRS Accounting Standards

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

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

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS (Continued)

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

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

HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures[1]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[1]
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11[1]
Amendments to HK Interpretation 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[2]

[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] The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

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

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS (Continued)

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

HKFRS 18, Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation or disaggregation and labelling of information, and disclosure of management-defined performance measures.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

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

Statement of compliance

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

Basis of measurement

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

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

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

Going concern assumption

As at 31 March 2026, the Group's current liabilities exceed its current assets by RMB410,748,000. In preparing these consolidated financial statements using the going concern basis, the directors of the Company considered the future liquidity of the Group based on a cash flow forecast covering not less than 12 months from the end of the reporting period (the "Cash Flow Forecast"). The following plans and measures for mitigating the liquidity pressure and improving the financial position of the Group have been considered in the cash flow forecast:

(i) The current liabilities consist of contract liabilities of RMB141 million and by nature deferred revenue. The Directors believe that it is unlikely that the counterparties would terminate the contracts resulting in an obligation to refund the advances received from the customers.

(ii) Up to the date of authorisation for issuance of these consolidated financial statements, the Group had unutilised bank loan facility of RMB1,145 million which is available throughout the forecast period.

(iii) The Group's mining project at Tibet, the People's Republic of China (the "PRC") ("Tibet Tianren Project") is conducted by Tibet Tianren Mining Company Limited ("Tibet Tianren"), a non-wholly-owned subsidiary. Tibet Tianren currently possesses a mining licence in respect of a mine located in Tibet with a validity period from 16 October 2024 to 15 October 2047. Tibet Tianren Project is currently under full-scale construction and is expected to be operational by the end of 2026 and generate revenue starting from the first quarter of 2027. In connection with this, Tibet Tianren Project is expected to incur a substantial amount of capital expenditure in the coming financial year. Tibet Tianren secured a syndicated loan facility of RMB2 billion during the current financial year which provides funding support for the mine construction work. In addition, in May 2026, the Group entered into a capital injection agreement with the non-controlling shareholders of Tibet Tianren, including Shudao Investment Group Co., Ltd. ("Shudao Group"), for capital injection into Tibet Tianren. As the capital injection will be made by the shareholders of Tibet Tianren on a pro rata basis, the Group's equity interest in Tibet Tianren will not be diluted, and Tibet Tianren will remain a non-wholly-owned subsidiary of the Company upon completion of the capital injection. According to the capital injection agreement, Shudao Group is expected to inject additional capital amounting to RMB298 million into Tibet Tianren by 2026. The directors envisage that the aforesaid syndicated loan and capital injection would provide sufficient funding support to bring the Tibet Tianren Project to commercial production.

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

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

Going concern assumption (Continued)

(iii) (Continued)

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

As at 31 March 2026, Tibet Tianren had net assets of RMB9 million, including non-current assets (mainly property, plant and equipment and mining rights) of RMB1,962 million, current assets of RMB361 million, current liabilities of RMB1,276 million and non-current liabilities of RMB1,038 million. Included in non-current liabilities as at 31 March 2026 was an amount of RMB538 million (the "Debt") which was previously due to Sichuan Hongda and was assigned to a creditor of Sichuan Hongda during the financial year ended 31 March 2024. The Debt was unsecured, interest-free and repayable on demand. As at 31 March 2025, the Debt was classified as a current liability. As disclosed in note 29, in June 2025, the Debt was assigned to a related company and the terms of the Debt were revised. As at 31 March 2026, the Debt is unsecured, interest-free and not repayable within 12 months from the reporting date and is therefore classified as a non-current liability as at 31 March 2026.

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

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

Going concern assumption (Continued)

(iv) As disclosed in note 20(b), the Group completed the investment in a mining project in Tajikistan in February 2026 and is expected to provide funding of USD80 million (equivalent to RMB555 million in total), of which RMB459 million is expected to be provided in the coming financial year and is classified as current liabilities as other payable and contingent consideration payable as at 31 March 2026. The funding of USD80 million is expected to be financed by internal resources.

(v) The Group has been operating consistently to generate significant cash inflow from its operations and this is expected to be the case in the foreseeable future. The operating cash generated, together with the external financing obtained as mentioned above, should be sufficient to address any cash flow needs should they arise.

(vi) The Group has secured a stand-by facility of RMB600 million from a non-controlling shareholder and business partner of certain of the Group's major subsidiaries. Such facility is for providing working capital to Tibet Tianren. The borrowing period is three years from the date of drawdown. The stand-by facility also serves to provide funding to the Group to fulfill the repayment demand from those creditors of Tibet Tianren.

In the opinion of the directors, based on the Cash Flow Forecast and taking into account the above plans and measures, the Group would have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due. Accordingly, the directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

3.2 Functional and presentation currency

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

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

3.3 Business combination and basis of consolidation

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

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

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

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

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

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

3.3 Business combination and basis of consolidation (Continued)

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

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

3.4 Subsidiaries

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

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

– The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– Potential voting rights held by the Group, other vote holders or other parties;

– Rights arising from other contractual arrangements; and

– Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions needs to be made, including voting patterns at previous shareholders' meetings.

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

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

3.5 Property, plant and equipment

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

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

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

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

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

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

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

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

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

3.6 Associates

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

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

At the date of initial recognition, an estimate of a contingent consideration is included as part of the cost of the acquisition. Any revisions to the contingent consideration estimates, after the date of initial recognition, are accounted for as changes in estimates in accordance with HKAS 8 and accounted for on a prospective basis. The change in the liability of the entity, as a result of the revised cash flows, would be adjusted to the carrying amount of the investment.

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

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

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

3.7 Joint arrangement

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

The Group classifies its interests in joint arrangements as either:

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

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

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

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

3.8 Goodwill

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

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

3.9 Other intangible assets

Acquired intangible assets

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

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

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

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

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

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

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

3.10 Leases

Group as a lessee

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

Right-of-use asset

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

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

Lease liability

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

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

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

3.10 Leases (Continued)

Lease liability (Continued)

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

3.11 Impairment of non-financial assets

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

- Property, plant and equipment;
- Right-of-use assets;
- Goodwill;
- Other intangible assets;
- Interests in associates;
- Interests in joint ventures;
- Prepayments; and
- Investments in subsidiaries.

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

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

3.11 Impairment of non-financial assets (Continued)

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

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

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

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

3.12 Inventories

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

3.13 Financial instruments

(i) Financial assets

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

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

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

3.13 Financial instruments (Continued)

(i) Financial assets (Continued)

Debt instruments

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

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

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

(ii) Impairment loss on financial assets

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

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

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

3.13 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

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

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

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

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

The Group considers that default has occurred for a financial asset when, in case of trade receivables, the customer is considered unlikely to pay its credit obligation in full or when the financial asset is more than 90 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the debtor is in significant financial difficulty; (2) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (3) it is probable that the debtor will enter bankruptcy or other financial reorganisation.

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

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

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

3.13 Financial instruments (Continued)

(iii) Financial liabilities

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

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

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

(iv) Effective interest method

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

(v) Equity instruments

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

(vi) Derecognition

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

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

(vii) Offsetting a financial asset and a financial liability

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

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

3.14 Revenue recognition

Sale of explosives and mineral concentrates

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

Provision of blasting services

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

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

Contract assets and liabilities

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

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

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

3.15 Income taxes

Income taxes comprise current tax and deferred tax.

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

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

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

3.16 Foreign currency

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

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

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

3.16 Foreign currency (Continued)

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

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

3.17 Employee benefits

(i) *Short-term employee benefits*

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

(ii) *Defined contribution retirement plan*

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

(iii) *Termination benefits*

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

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

3.18 Segment reporting

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

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

3.19 Fair value measurement

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

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

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

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

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

3.20 Provisions and contingent liabilities

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Estimates and judgements used in preparing consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's consolidated financial statements, are disclosed below.

4.1 Estimation uncertainty

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

(i) Impairment of trade and other receivables

The Group makes allowance for impairment on trade receivables following the accounting policy set out in note 3.13(ii). The Group uses judgement in making assumptions and selecting inputs to determine the ECL calculations of trade receivables, which mainly based on the Group's historical credit loss experience, existing market conditions as well as forward-looking estimates at the end of the reporting period. For other receivables and deposits, the Group assessed ECLs by considering probabilities of default of the counterparties which also requires judgement by the management. Further details about the ECLs assessment are set out in note 41(a).

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

For the purpose of performing impairment assessment as disclosed in notes 18 and 19, the recoverable amount of the CGUs in the mining operations were determined based on fair value less costs of disposal which was derived using discounted cash flow expected to be derived from the CGUs. The values of the cash flow are impacted by estimation of mineral reserves, the expected tonnes and grade of mineral and metal mined, long-term commodity prices, production costs, operating expenditure, capital expenditure as well as appropriate discount rate. Future changes in the circumstances and conditions underlying the estimates and judgement exercised may affect the estimation of the recoverable amount and thus result in adjustment to the carrying amounts of those assets comprising the CGUs.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

4.1 Estimation uncertainty (Continued)

(iii) Current tax and deferred tax

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

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

For the purpose of performing impairment assessments as disclosed in note 19, the recoverable amount of the CGUs were determined based on value in use which was derived using discounted cash flow expected to be derived from the CGUs. The values of the cash flow are impacted by estimation of average growth rate, average operating margin, discount rate and long-term growth rate. Future changes in the circumstances and conditions underlying the estimates and judgement exercised may affect the estimation of the recoverable amount and thus result in adjustment to the carrying amounts of the other intangible assets.

4.2 Critical judgements in applying accounting policies

(i) Going concern assumption

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

(ii) Assessment of investment in Kanzi Diyor LLC ("Kanzi Diyor")

As disclosed in note 20(b), a wholly-owned subsidiary of the Company entered into a corporation agreement and a supplemental agreement regarding the joint implementation of mining project in Tajikistan with Kanzi Diyor and its sole shareholder structured through a loan facility. Management judgement is involved in assessing the substance of loan arrangement constitutes a joint arrangement and whether the contractual terms confer joint control of both parties that require unanimous consent for decisions relating to the mining project's relevant activities.

5. REVENUE

The principal activities of the Group and the disaggregation of revenue from contracts with customers are disclosed in notes 1 and 14, respectively. An analysis of the revenue from the Group's principal activities is as follows:

	2026 RMB'000	2025 RMB'000
Revenue from contracts with customers		
Sales of explosives	**382,594**	568,634
Provision of blasting operations	**187,983**	293,796
Sales of mineral concentrates	**966,415**	833,077
	1,536,992	1,695,507

6. OTHER INCOME

	2026 RMB'000	2025 RMB'000
Bank interest income	**2,085**	6,093
Other interest income	**216**	1,561
Government grants (note (i))	**3,794**	5,263
Rental income	**4,967**	–
Gain on disposal of property, plant and equipment	**1,144**	923
Waiver income (note (ii))	**–**	8,655
Compensation income (note (iii))	**98,157**	–
Income on the release of the provision of the legal obligation	**–**	9,544
Sundry income	**6,015**	6,475
	116,378	38,514

Notes:

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

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

(iii) In September 2025, the High People's Court of the Tibet Autonomous Region issued a final judgment ruling that a former customer of the Group shall compensate the Group in the amount of RMB106,992,000 (included tax) or RMB98,157,000 (excluded tax) (the "Final Judgment") for economic losses arising from project delays in previous years. The Final Judgment was considered final and conclusive, and the Group received full settlement of the compensation during the year.

7. PROFIT FROM OPERATIONS

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

	2026 RMB'000	2025 RMB'000
Auditor's remuneration	**2,751**	2,822
Costs of inventories recognised as expenses	**665,005**	812,325
Write-off of prepayment	**–**	3,548
Amortisation of intangible assets*	**13,985**	17,040
Depreciation for property, plant and equipment	**117,368**	104,869
Depreciation for right-of-use assets	**3,190**	3,255
Gain on disposal of property, plant and equipment, net	**(1,144)**	(923)
Net foreign exchange loss	**679**	406
Research and development costs@	**28,431**	38,086
Staff costs (including directors' emoluments) (note 8)	**250,384**	189,766

* included as to RMB13,942,000 (2025: RMB17,006,000) in cost of goods sold and services provided and RMB43,000 (2025: RMB34,000) in administrative and other operating expenses in the consolidated statement of comprehensive income

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

8. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2026	2025
	RMB'000	RMB'000
Salaries, wages and other benefits	211,280	153,957
Contributions to defined contribution retirement plans (note)	39,104	35,809
	250,384	189,766

Note:

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

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

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

For the year ended 31 March 2026, no forfeited contribution in respect of the above defined contribution retirement plans was utilised by the Group to reduce the contribution payable to the plans (2025: Nil). As at 31 March 2026, no forfeited contribution under these plans is available to reduce future contribution (2025: Nil).

9. DIRECTORS' EMOLUMENTS

Directors' emoluments are disclosed as follows:

	Fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended 31 March 2026				
Executive directors				
Qin Chunhong	–	1,429	16	1,445
Liu Fali	–	1,196	16	1,212
Ma Tianyi	–	1,018	16	1,034
Ma Ye	218	–	–	218
Ma Yong	218	–	–	218
Independent non-executive directors				
Ha Suoku	109	–	–	109
Li Xu	109	–	–	109
Hu Jingqiang (Appointed on 28 February 2025)	109	–	–	109
	763	3,643	48	4,454
For the year ended 31 March 2025				
Executive directors				
Qin Chunhong	–	1,264	15	1,279
Liu Fali	–	1,177	15	1,192
Ma Tianyi	–	1,017	17	1,034
Ma Ye	211	–	–	211
Ma Yong	221	–	–	221
Independent non-executive directors				
Ha Suoku	110	–	–	110
Li Xu	110	–	–	110
Zhang Jinghua (Resigned on 28 February 2025)	110	–	–	110
Hu Jingqiang (Appointed on 28 February 2025)	–	–	–	–
	762	3,458	47	4,267

No incentive payment or compensation for loss of office was paid or payable to any directors during the year ended 31 March 2026 (2025: Nil).

10. FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS

During the year ended 31 March 2026, three (2025: three) of the directors whose emoluments are disclosed in note 9 were among the five individuals of the Group with the highest emoluments. The emoluments of the remaining two (2025: two) highest paid non-director individuals for the current year are as follows:

	2026 **RMB'000**	2025 RMB'000
Salaries, allowances and other benefits in kind	**3,397**	1,456
Contributions to defined contribution retirement plans	**28**	32
	3,425	1,488

The emoluments of the two (2025: two) highest paid non-director individuals are within the following band:

	2026 **No. of individuals**	2025 No. of individuals
Nil to HK$1,000,000	**–**	2
HK$1,000,001 to HK$1,500,000	**1**	–
HK$2,000,001 to HK$2,500,000	**1**	–
	2	2

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

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

	2026 **No. of individuals**	2025 No. of individuals
Nil to HK$1,000,000	**2**	3
HK$1,000,001 to HK$1,500,000	**1**	–
HK$2,000,001 to HK$2,500,000	**1**	–
	4	3

11. FINANCE COSTS

	2026 RMB'000	2025 RMB'000
Interest on lease liabilities (note 16(b))	**31**	71
Interest expense on bank borrowings	**12,067**	12,488
Interest expense on other borrowings	**13,861**	14,421
Unwinding interest on provision for rehabilitation	**767**	3,474
	26,726	30,454
Less: interest capitalisation	**(21,641)**	(25,261)
	5,085	5,193

Borrowing costs capitalised at rate ranging from 1.20% to 5.94% per annum (2025: 1.85% to 3.35%) during the year arose on the specific and general borrowings for the expenditure on construction in progress.

The weighted average capitalisation rate applied on general borrowings was 3.62% (2025: 3.35%).

12. INCOME TAX EXPENSE

Income tax expense comprises:

	2026 RMB'000	2025 RMB'000
Current tax for the year		
PRC Enterprise Income Tax ("EIT")		
– provision for the year	**107,857**	94,011
– under-provision in respect of previous years	**631**	3,666
	108,488	97,677
Tajikistan Corporate Income Tax		
– provision for the year	**6,058**	8,841
– under-provision in respect of previous year	**–**	488
	6,058	9,329
Deferred tax (credit)/expense for the year (note 17)	**(12,587)**	14,025
	101,959	121,031

12. INCOME TAX EXPENSE (Continued)

No provision for Hong Kong profits tax is made for current year and prior year as there is no assessable profits arising in Hong Kong for both years. Tajikistan Corporate Income Tax rate is calculated at applicable rates of 18% (2025: 23%) (for activities other than goods production) and 13% (for activity of goods production) respectively; whereas EIT is calculated at the applicable rate of 25%, except that:

(i) A Tajikistan subsidiary of the Company is entitled to enjoy preferential EIT rate of 9% for 5 years since November 2025 pursuant to an investment agreement between the subsidiary and the Tajikistan government.

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

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

(iv) Three branches and three subsidiaries of the Company which are located in the Tibet Autonomous Region of the PRC are entitled to preferential tax rate of 15% except for one subsidiary, based on the tax ruling announced by the PRC central tax authorities, the EIT rate of Lhasa applicable to that subsidiary is 9% for the years 2015 to 2027 and will revert to 15% from 2028 onwards if no further announcement from the PRC central tax authorities is made.

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

12. INCOME TAX EXPENSE (Continued)

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

	2026	2025
	RMB'000	RMB'000
Profit before income tax	**458,528**	446,408
Tax calculated at the rates applicable to the tax jurisdictions concerned	**112,795**	108,115
Tax effect of exemptions or preferential treatment granted to certain subsidiaries	**(27,144)**	(12,545)
Tax effect of non-deductible expenses	**36,939**	17,418
Tax effect of non-taxable income	**(24,372)**	(7,199)
Tax effect of share of results of associates	**627**	(4,536)
Tax effect of share of results of a joint venture	**176**	–
Tax loss not recognised	**2,788**	10,394
Utilisations of tax loss previously not recognised	**(8,200)**	(296)
Under-provision in respect of previous years	**631**	4,154
Withholding tax on dividends received from subsidiaries during the year not recognised	**6,664**	5,232
Effect of withholding tax on the undistributed profits of PRC subsidiaries	**1,055**	294
Income tax expense	**101,959**	121,031

13. EARNINGS PER SHARE

Basic earnings per share

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

	2026	2025
	RMB'000	RMB'000
Profit for the year attributable to owners of the Company	**204,885**	164,117

	2026	2025
	'000	'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	**3,558,725**	3,499,371

Diluted earnings per share

There was no dilutive potential ordinary share in issue during the years ended 31 March 2026 and 2025.

14. SEGMENT INFORMATION

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

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

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

Segment revenue, results, assets and liabilities

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

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

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

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

14. SEGMENT INFORMATION (Continued)

Segment revenue, results, assets and liabilities (Continued)

Segment revenue and segment results

For the year ended 31 March 2026

	Mining operation RMB'000	**Explosives trading and blasting services RMB'000**	**Total RMB'000**
Segment revenue			
External sales	**994,997**	**541,995**	**1,536,992**
Segment profit	**334,937**	**156,263**	**491,200**
Unallocated income			**1,458**
Unallocated corporate expenses			**(34,130)**
Profit before income tax			**458,528**

For the year ended 31 March 2025

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

14. SEGMENT INFORMATION (Continued)

Segment revenue, results, assets and liabilities (Continued)

Segment assets and liabilities

As at 31 March 2026

	Mining operation RMB'000	Explosives trading and blasting services RMB'000	Total RMB'000
Segment assets	4,514,638	1,183,485	5,698,123
Amounts due from related parties			26,884
Unallocated cash and cash equivalents			163,275
Deferred tax assets			57,870
Unallocated corporate assets			8,470
Consolidated total assets			5,954,622
Segment liabilities	2,163,893	672,277	2,836,170
Amounts due to related parties			614,379
Dividend payable			8,152
Income tax payable			41,404
Deferred tax liabilities			11,935
Unallocated corporate liabilities			24,732
Consolidated total liabilities			3,536,772

14. SEGMENT INFORMATION (Continued)

Segment revenue, results, assets and liabilities (Continued)

Segment assets and liabilities (Continued)

As at 31 March 2025

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

14. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended as at 31 March 2026

	Mining operation RMB'000	Explosives trading and blasting services RMB'000	Sub-total RMB'000	Unallocated RMB'000	Total RMB'000
Additions to specified non-current assets*	1,241,620	154,648	1,396,268	758	1,397,026
Interest income	529	798	1,327	974	2,301
Interest expenses	22,681	4,036	26,717	9	26,726
Depreciation and amortisation	94,396	38,850	133,246	1,297	134,543
Impairment loss on other receivables	200	–	200	–	200
Impairment loss on amount due from a joint venture	–	3,882	3,882	–	3,882
Share of loss of associates	–	2,508	2,508	–	2,508
Interests in associates	–	71,842	71,842	–	71,842
Share of loss of a joint venture	980	–	980	–	980
Gain on deregistration of a branch	9,172	–	9,172	–	9,172
Interests in joint ventures	615,422	–	615,422	–	615,422

14. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended as at 31 March 2025

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

* including additions to the Group's property, plant and equipment, right-of-use assets and other intangible assets, acquisition of a joint venture and increase in non-current prepayments.

14. SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers

For the year ended 31 March 2026

	Mining operation RMB'000	Explosives trading and blasting services RMB'000	Total RMB'000
Primary geographic market			
– The PRC	994,997	421,945	1,416,942
– Tajikistan	–	119,446	119,446
– Kyrgyzstan	–	604	604
	994,997	541,995	1,536,992
Timing of revenue recognition			
At a point in time			
– Sales of mineral concentrates	966,415	–	966,415
– Sales of explosives	28,582	354,012	382,594
	994,997	354,012	1,349,009
Transferred over time			
– Provision of blasting operations	–	187,983	187,983
	994,997	541,995	1,536,992

14. SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers (Continued)

For the year ended 31 March 2025

	Mining operation RMB'000	Explosives trading and blasting services RMB'000	Total RMB'000
Primary geographic market			
– The PRC	854,628	741,190	1,595,818
– Tajikistan	–	99,689	99,689
	854,628	840,879	1,659,507
Timing of revenue recognition			
At a point in time			
– Sales of mineral concentrates	833,077	–	833,077
– Sales of explosives	21,551	547,083	568,634
	854,628	547,083	1,401,711
Transferred over time			
– Provision of blasting operations	–	293,796	293,796
	854,628	840,879	1,695,507

14. SEGMENT INFORMATION (Continued)

Geographical information

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

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

	Revenue from external customers		Specified non-current assets	
	2026	2025	**2026**	2025
	RMB'000	RMB'000	**RMB'000**	RMB'000
The PRC (country of domicile)	**1,416,942**	1,595,818	**3,722,276**	3,147,815
Hong Kong	**–**	–	**408**	1,927
Tajikistan	**119,446**	99,689	**776,946**	104,315
Kyrgyzstan	**604**	–	**144**	22
	1,536,992	1,695,507	**4,499,774**	3,254,079

Information about major customers

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

	2026	2025
	RMB'000	RMB'000
Mining operation		
– Customer A	**348,346**	362,866

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Plant and machinery	Furniture and equipment	Motor vehicles	Mining infrastructures	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:								
As at 1 April 2024	274,214	262	287,672	14,627	94,433	1,014,105	823,919	2,509,232
Additions	4,993	–	21,298	11,144	6,398	2,079	211,931	257,843
Transfers	14,450	–	3,631	400	–	521	(19,002)	–
Disposals	(345)	–	(1,512)	(2,087)	(5,664)	–	–	(9,608)
Exchange alignment	672	2	265	13	47	–	26	1,025
As at 31 March 2025	293,984	264	311,354	24,097	95,214	1,016,705	1,016,874	2,758,492
Additions	14,000	–	108,838	6,672	20,423	397	607,041	757,371
Transfers	1,531	–	7,485	–	–	2,085	(11,101)	–
Disposals	(19,537)	(36)	(16,439)	(4,109)	(2,630)	–	–	(42,751)
Exchange alignment	3,495	(14)	1,069	58	(158)	–	(357)	4,093
As at 31 March 2026	293,473	214	412,307	26,718	112,849	1,019,187	1,612,457	3,477,205
Accumulated depreciation and impairment:								
As at 1 April 2024	89,212	215	135,011	7,751	84,041	147,333	–	463,563
Depreciation	14,637	37	24,979	6,600	3,849	54,767	–	104,869
Written back upon disposals	(344)	–	(1,264)	(1,985)	(5,122)	–	–	(8,715)
Exchange alignment	260	10	120	2	42	–	–	434
As at 31 March 2025	103,765	262	158,846	12,368	82,810	202,100	–	560,151
Depreciation	17,315	–	36,975	5,432	4,744	52,902	–	117,368
Written back upon disposals	(2,533)	(36)	(15,386)	(787)	(776)	–	–	(19,518)
Exchange alignment	1,519	(14)	692	31	166	–	–	2,394
As at 31 March 2026	120,066	212	181,127	17,044	86,944	255,002	–	660,395
Net carrying amount:								
As at 31 March 2026	173,407	2	231,180	9,674	25,905	764,185	1,612,457	2,816,810
As at 31 March 2025	190,219	2	152,508	11,729	12,404	814,605	1,016,874	2,198,341

At the end of the reporting period, the directors of the Company performed impairment assessment for the mining rights (note 19) together with property, plant and equipment and other non-current assets which collectively form the CGUs in the mine operating segment. Details of the impairment assessment are set out in notes 18 and 19.

16. LEASES

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

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

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

(a) Right-of-use assets

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

	Leasehold land	Office premises and staff quarters	Motor vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 April 2024	41,447	1,672	–	43,119
Additions	–	2,556	2,668	5,224
Depreciation	(1,025)	(1,920)	(310)	(3,255)
Exchange alignment	–	20	–	20
As at 31 March 2025	40,422	2,328	2,358	45,108
Depreciation	(1,025)	(1,824)	(341)	(3,190)
Exchange alignment	–	(51)	–	(51)
As at 31 March 2026	39,397	453	2,017	41,867

16. LEASES (Continued)

(b) Lease liabilities

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

	2026 RMB'000	2025 RMB'000
At the beginning of the year	**3,215**	2,637
New leases	**–**	5,224
Interest expense	**31**	71
Payments	**(2,586)**	(4,735)
Exchange alignment	**(46)**	18
At the end of the year	**614**	3,215
Classified under:		
Non-current portion	**–**	481
Current portion	**614**	2,734
	614	3,215

Future lease payments are due as follows:

	2026		
	Minimum lease payments RMB'000	**Interest RMB'000**	**Present value of minimum lease payments RMB'000**
Within 1 year	**614**	**–**	**614**

16. LEASES (Continued)

(b) Lease liabilities (Continued)

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

(c) Information in relation to short-term leases

	2026 RMB'000	2025 RMB'000
Short-term lease expenses	**4,840**	2,400
Aggregate undiscounted commitments for short-term leases	**879**	844

17. DEFERRED TAX ASSETS/(LIABILITIES)

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

	Tax losses and depreciation allowance RMB'000	**Fair value adjustments arising from acquisition of a subsidiary** RMB'000	**Unrealised profits** RMB'000	**Undistributed profits of the PRC subsidiaries** RMB'000	**Total** RMB'000
At 1 April 2024	36,703	16,222	5,034	(10,586)	47,373
(Charged)/credited to profit or loss (note 12)	(13,607)	(969)	845	(294)	(14,025)
At 31 March and 1 April 2025	23,096	15,253	5,879	(10,880)	33,348
Credited/(charged) to profit or loss (note 12)	3,166	(928)	11,404	(1,055)	12,587
At 31 March 2026	26,262	14,325	17,283	(11,935)	45,935

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

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

	2026 RMB'000	2025 RMB'000
Deferred tax assets	**57,870**	44,228
Deferred tax liabilities	**(11,935)**	(10,880)
	45,935	33,348

As at 31 March 2026, the Group had deductible temporary differences arising from unused tax losses arising in the PRC of RMB52,551,000 (2025: RMB75,947,000) and depreciation allowance of RMB105,048,000 (2025: RMB92,383,000) available for offset against future profits. Deferred tax assets of RMB26,262,000 (2025: RMB23,096,000) has been recognised in respect of these deductible temporary differences to the extent of RMB105,048,000 (2025: RMB92,383,000). No deferred tax asset has been recognised in respect of the remaining deductible temporary differences of RMB52,551,000 (2025: RMB75,947,000) due to unpredictability of future profits streams. The unused tax losses arising in the PRC will expire in five years (2025: five years) from the year in which the losses arose.

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

Deferred tax liabilities of RMB11,935,000 (2025: RMB10,880,000) have been recognised in respect of temporary differences relating to undistributed profits of the Group's PRC subsidiaries amounting to RMB238,700,000 (2025: RMB217,608,000). No deferred tax liability has been recorded on the remaining undistributed profits of RMB716,077,000 (2025: RMB652,825,000) because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

There was no significant unrecognised deferred tax liability (2025: Nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries in other jurisdictions.

18. GOODWILL

	2026	2025
	RMB'000	RMB'000
Cost:		
At the beginning and the end of the year	**132,394**	132,394
Accumulated impairment:		
At the beginning and the end of the year	**89,762**	89,762
Net carrying amount:		
At the end of the year	**42,632**	42,632
At the beginning of the year	**42,632**	42,632

Impairment testing of goodwill

Goodwill with net carrying amount of RMB42,632,000 (2025: RMB42,632,000) is allocated to the CGU (the "Anhui Jinding CGU") which represents the mine operation conducted by Anhui Jinding Mining Co., Ltd ("Anhui Jinding"), a non-wholly-owned subsidiary of the Company and is included in the mining operation segment of the Group.

The carrying amount of the Anhui Jinding CGU mainly comprises the goodwill, property, plant and equipment (note 15) with carrying value of RMB1,082,296,000 (2025: RMB1,073,565,000), mining right (note 19) with carrying value of RMB174,250,000 (2025: RMB185,859,000) and other non-current assets attributable to the Anhui Jinding CGU.

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

Recoverable amount is the higher of fair value less costs of disposal ("FVLCD") and value in use ("VIU"). The recoverable amount of this Anhui Jinding CGU as at 31 March 2026 and 31 March 2025 were determined using FVLCD basis.

18. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

The Group uses income approach to estimate the FVLCD of the Anhui Jinding CGU, which comprises cash flow projection prepared based on a production plan of 16 years (2025: 15 years) to financial year ending 31 March 2042 (2025: 2040), which is the estimated life of mine as determined by a mine expert based on current resources and reserves estimation. The post-tax discount rate applied to the cash flow projection is 11.38% (2025: 11.33%). The cash flow projection covers a period exceeding 5 years as based on the expert opinion, the mine is currently able to operate for 16 years (2025: 15 years). The fair value measurement is categorised into Level 3 fair value hierarchy.

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

Reserves – Extraction of probable reserves of 15.61 million tonnes (2025: 14.29 million tonnes) represent key factors the management has considered in the production plan, on the basis of appropriate geological evidence and sampling, with reference to the reserves and resources statement prepared and updated by the mine expert who is an appropriate competent person.

Commodity prices – Commodity prices are based on average prices of the mineral concentrates over the past five years (2025: four years). These prices are reviewed at least annually.

Production volume – Estimated production volume are based on the detailed life of mine plans taking into account development plans of the mine agreed by management as part of the long-term planning process. Management assumed production volume to be 1 million tonnes per annum ("p.a.") during the first 15 years (2025: 14 years) and reduce to 610,000 tonnes p.a. (2025: 290,000 tonnes p.a.) in the last year.

Operating costs – Operating costs are estimated with reference to the actual operating costs incurred for the current year, taking into account change in cost structure which is commensurate with the mining operation as projected in the forecast period.

Capital expenditure – As at 31 March 2026, capital planned for operation over the life of the mine includes capital for expansion and replacement capital for the coming year (2025: coming 2 years) for expansion of gold processing facilities and development of deep underground mining area and the stay-in-business capital. The stay-in-business capital is estimated to be RMB9 million to RMB13 million (2025: RMB9 million to RMB13 million) per year based on historical capital expenditure of Anhui Jinding, except for the financial year ending 31 March 2032 which is estimated to be RMB40 million (2025: RMB40 million) when a major repair of plant and machinery is expected.

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

18. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

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

Based on the result of the impairment assessment, the recoverable amount of the Anhui Jinding CGU was higher than its carrying value as at 31 March 2026. Accordingly, the management of the Group determined that impairment loss is not required for the current year.

In the opinion of the directors, a reasonably possible change in the following key assumptions of the cash flow projection would cause changes in result of the impairment testing as follows:

	% decrease/ increase	Impairment loss RMB'000
Decrease in commodity price		
– Copper concentrate	5%	Nil
– Gold	5%	Nil
– Sulfur concentrate	5%	11,000
Increase in discount rate	0.5%	Nil

19. OTHER INTANGIBLE ASSETS

	Permanent land use right	Production permits	Production quotas	Production quotas use right	Mining rights	Computer software	Patents	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:								
As at 1 April 2024	2,806	27,115	146,146	12,736	498,541	323	298	687,965
Additions	–	–	–	–	66,824	156	–	66,980
Exchange alignment	42	407	–	–	–	–	–	449
As at 31 March 2025	2,848	27,522	146,146	12,736	565,365	479	298	755,394
Additions	–	–	–	–	13,730	–	–	13,730
Write-off	–	–	–	(12,736)	–	–	–	(12,736)
Exchange alignment	226	2,182	–	–	–	–	–	2,408
As at 31 March 2026	3,074	29,704	146,146	–	579,095	479	298	758,796
Accumulated amortisation:								
As at 1 April 2024	–	–	–	7,075	25,419	253	298	33,045
Charge for the year	–	–	–	4,245	12,761	34	–	17,040
As at 31 March 2025	–	–	–	11,320	38,180	287	298	50,085
Charge for the year	–	–	–	1,416	12,526	43	–	13,985
Write-off	–	–	–	(12,736)	–	–	–	(12,736)
As at 31 March 2026	–	–	–	–	50,706	330	298	51,334
Net carrying amount:								
As at 31 March 2026	3,074	29,704	146,146	–	528,389	149	–	707,462
As at 31 March 2025	2,848	27,522	146,146	1,416	527,185	192	–	705,309

Production quotas use right

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

19. OTHER INTANGIBLE ASSETS (Continued)

Permanent land use right, production permits and production quotas

The useful lives of the permanent land use right and the production permits for the operation in Tajikistan and the production quotas for the operation in the PRC are assessed by management to be indefinite. These assets are tested for impairment annually, and no impairment provision was recorded as at 31 March 2026 (2025: Nil).

Permanent land use right and production permits

Permanent land use right and production permits were tested for impairment at CGU level and the CGU which is included in the explosives trading and blasting services segment is conducted by Subsidiary A (as defined in note 44). Other than the permanent land use right and the production permits, property, plant and equipment of RMB121,060,000 (2025: RMB46,040,000) and prepayment of property, plant and equipment of RMB7,686,000 (2025: RMB27,904,000) that generate cash flows together are also included in the CGU for the purpose of impairment assessment. The recoverable amount of this CGU was determined using VIU basis, which comprises cash flow projections prepared based on the financial budget approved by the management. The period covered by the financial budget is five years. Key assumptions used in the VIU calculation of the CGU include:

Subsidiary A

(a) Average growth rate of 13% (2025: 0%)
(b) Average operating margin of 54% (2025: 58%)
(c) Pre-tax discount rate of 19% (2025: 19%)
(d) Growth rate in extrapolation of cash flows beyond five years of 2% (2025: 2%).

Production quotas

Production quotas were tested for impairment at CGU level and the respective CGUs which are included in the explosives trading and blasting services segment are conducted by Subsidiary B and Subsidiary C (as defined in note 44). Other than the production quotas, property, plant and equipment of RMB38,001,000 (2025: RMB41,893,000) and RMB32,241,000 (2025: RMB31,309,000) that generate cash flows together are also included in the CGUs of Subsidiary B and Subsidiary C, respectively, for the purpose of impairment assessment. The recoverable amounts of these CGUs were determined using VIU basis, which comprises the respective cash flow projections prepared based on the financial budget approved by the management. The period covered by the financial budget is five years. Key assumptions used in the VIU calculation of the CGUs include:

Subsidiary B

(a) Average growth rate of 10% (2025: 0%)
(b) Average operating margin of 49% (2025: 51%)
(c) Pre-tax discount rate of 7.0% (2025: 7.1%)
(d) Growth rate in extrapolation of cash flows beyond five years of 0% (2025: 0%)

Subsidiary C

(a) Average growth rate of 4% (2025: 0%)
(b) Average operating margin of 52% (2025: 49%)
(c) Pre-tax discount rate of 7.0% (2025: 7.1%)
(d) Growth rate in extrapolation of cash flows beyond five years of 0% (2025: 0%)

19. OTHER INTANGIBLE ASSETS (Continued)

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

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

As at 31 March 2026 and 2025, the VIU of each respective CGUs significantly exceeded their carrying amounts, and hence the permanent land use right, the production permits and the production quotas allocated to the respective CGUs were not regarded as impaired.

Mining rights

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

(a) *Anhui Jinding*

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

At the end of the reporting period, the directors of the Company performed impairment assessment of the mining right together with goodwill, property, plant and equipment and other non-current assets which collectively form the Anhui Jinding CGU as included in the mining operation segment of the Group. Details of the impairment assessment are set out in note 18.

The mining right of Anhui Jinding with carrying value of approximately RMB174,250,000 (2025: RMB185,859,000) was pledged to secure the bank borrowings and the entrusted borrowing (note 27).

(b) *Tibet Tianren*

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

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

19. OTHER INTANGIBLE ASSETS (Continued)

Mining rights (Continued)

(b) Tibet Tianren (Continued)

As at 31 March 2026, the mining right of Tibet Tianren with carrying value of approximately RMB354,139,000 (2025: RMB341,326,000) was pledged to secure a bank borrowing (note 27).

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

Recoverable amount is the higher of FVLCD and VIU. As at 31 March 2026, the recoverable amount of the Tibet Tianren CGU was determined using FVLCD basis.

The Group uses income approach to estimate the FVLCD of the Tibet Tianren CGU, which comprises cash flow projection prepared based on a mine production plan of around 25 years (2025: 21 years) to the financial year ending 31 March 2051 (2025: 2048), which is the estimated life of mine as determined by a mine expert based on current resources and reserves estimation. The mining licence of Tibet Tianren is valid until October 2047. Renewal of mining licence is a matter of routine in general and is accomplished at insignificant costs. Based on past experience, the management is of view that it is highly probable that the mining licence could be renewed. The post-tax discount rate applied to the cash flow projection is 12.08% (2025: 12.07%). The cash flow projection covers a period exceeding 5 years as based on the expert opinions, the mine is currently able to operate for around 25 years (2025: 21 years). The fair value measurement is categorised into Level 3 fair value hierarchy.

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

Reserves – Extraction of probable reserves of 139.21 million tonnes (2025: 122.9 million tonnes) represent key factors the management has considered in the production plan, on the basis of appropriate geological evidence and sampling, with reference to the reserves and resources statement prepared and updated by the mine expert who is an appropriate competent person.

Commodity prices – Commodity prices are based on the average prices of molybdenum and copper over the past seven years and five years (2025: five years and four years) respectively. These prices are reviewed at least annually.

Production volume – Estimated production volume are based on the detailed life of mine plans taking into account development plans of the mine agreed by management as part of the long-term planning process. Management assumed production volume to be generally 6 million tonnes p.a. throughout the mine production plan, except for the financial year ending 31 March 2051 (2025: 2048) which is estimated to be 1.59 million tonnes (2025: 2.94 million tonnes).

19. OTHER INTANGIBLE ASSETS (Continued)

Mining rights (Continued)

(b) Tibet Tianren (Continued)

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

Capital expenditure – The Bangpu Mine is expected to commence production in the coming financial year. All initial capital expenditure required to engineer, design, procure and commission the works is incorporated in the cash flow projection. The capital planned for operation over the life of the mine includes capital for development, replacement capital and the stay-in-business capital. The stay-in-business capital averages RMB47 million (2025: RMB45 million) per year, except in the years requiring major production equipment replacement, when the projected capital increases to around RMB210 million (2025: RMB165 million).

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

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

Based on the result of the impairment assessment, the recoverable amount of the Tibet Tianren CGU as at 31 March 2026 was higher than its carrying amount which comprises property, plant and equipment (note 15) with carrying amount of RMB1,434,106,000 (2025: RMB942,149,000), mining right with carrying amount of RMB354,139,000 (2025: RMB341,326,000) and other non-current assets attributable to the Tibet Tianren CGU. Accordingly, the management of the Group determined that impairment loss is not required for the current year.

20. INTERESTS IN JOINT VENTURES

	2026 RMB'000	2025 RMB'000
Share of net assets	**615,422**	–

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

Name of joint venture	Form of business structure	Registered capital	Place of establishment and operation	Principal activities	Percentage of ownership interests/voting rights/profit share held by the Group 2026	2025
Kanzi Diyor (note (b))	Limited liability Company	TJS1,000,000	Tajikistan	Mining of mineral resources, processing, drilling, blasting exploration and construction work	**45%**	–
陝西小山川礦產資源開發建設有限公司 Shaanxi Xiaoshanchuan Mineral Resources Development and Construction Co., Ltd ("Shaanxi Xiaoshanchuan")#	Limited liability company	RMB90 million	PRC	Construction of mining trails, tunnels, public and residential buildings; mechanical and electrical equipment engineering installation; prefabricated components of the experiment; sale of ready-mixed concrete	**51%**	51%

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

(b) Acquisition of 45% interests in Kanzi Diyor

During the year, a wholly-owned subsidiary of the Company (the "Subsidiary"), Kanzi Diyor, and Avesto Group Limited ("Avesto Group", the sole shareholder of Kanzi Diyor) entered into a cooperation agreement and a supplemental agreement (collectively, the "Agreements") regarding the joint implementation of a mining project in Tajikistan, where Kanzi Diyor holds the relevant mining rights. Concurrently, the Subsidiary entered into a loan agreement with Kanzi Diyor to provide a loan facility with a principal amount of up to USD80 million. Both the Agreements and the loan agreement became effective on 9 February 2026 (the "Acquisition Date").

20. INTERESTS IN JOINT VENTURES (Continued)

(b) Acquisition of 45% interests in Kanzi Diyor (Continued)

Under the terms of the Agreements, Kanzi Diyor engages the Subsidiary to provide comprehensive services for the preliminary mine construction and post-construction operation. After profits are realised, the Subsidiary shall be entitled to receive 45% of the net profit of Kanzi Diyor as consideration (the "Consideration"). Definitive decisions or activities related to the comprehensive services provided by the Subsidiary, including the payment of the Consideration, shall be subject to the joint approval of Avesto Group and the Subsidiary. To fund the development of the mining project, the Subsidiary has committed to advancing an interest-free loan with no fixed repayment date, in an amount of not less than USD50 million and up to USD80 million according to the loan agreement. Upon the fifth anniversary of the Acquisition Date, subject to the satisfaction of certain performance criteria outlined in the Agreements, including the core requirement that the advanced loan amount is not less than USD50 million, Kanzi Diyor shall increase its share capital so that the Subsidiary becomes a 45% shareholder of Kanzi Diyor through capitalisation of the loan advanced to Kanzi Diyor (the "Capital Expansion and Conversion").

The Agreements further obligate the Subsidiary to self-fund the construction of a smelter immediately upon the occurrence of either the proven antimony metal resources of the project exceeding 300,000 tonnes of metal content, or the formal completion of the Capital Expansion and Conversion.

While structured legally as a loan, the loan facility is, in economic essence, a strategic equity investment to acquire a 45% equity interest in Kanzi Diyor (which holds the mining rights). Accordingly, the Consideration (representing 45% of the net profit of Kanzi Diyor) is structured as the primary economic return for the Subsidiary's capital contribution via the loan facility. Furthermore, as all definitive decisions or activities concerning the comprehensive services require the unanimous joint approval of the Subsidiary and Avesto Group, the arrangement establishes joint control, leading the Group to account for the combination of the loan facility and the profit-sharing Consideration as a de facto acquisition of a 45% equity interest in a joint venture under the equity method.

At the Acquisition Date, the fair value of the identifiable assets and liabilities of Kanzi Diyor include the major assets of Kanzi Diyor which are the mining rights as the contribution by Avesto Group to the joint venture.

The components of the initial investment cost by the Subsidiary at the Acquisition Date are set out below:

	RMB'000
Loan facility of USD50 million (note (i))	**347,000**
Contingent considerations:	
– loan facility of USD30 million (note (i))	**208,200**
– construction of a smelter (note (ii))	**65,125**
	273,325
Total	**620,325**

20. INTERESTS IN JOINT VENTURES (Continued)

(b) Acquisition of 45% interests in Kanzi Diyor (Continued)

Notes:

(i) The minimum amount of advance is USD50 million. As at the Acquisition Date and 31 March 2026, based on the current mine development plan, the directors are of the opinion that the Group will ultimately advance the full facility amount of up to USD80 million to Kanzi Diyor in coming year. Accordingly, the additional loan facility of USD30 million is included as part of the contingent considerations.

(ii) As at the Acquisition Date and 31 March 2026, management estimates that the Subsidiary will be required to initiate and fund the smelter construction in five years with estimated costs to be RMB65,125,000.

These amounts have been recognised as part of the initial cost of the investment in the joint venture. At the Acquisition Date, the committed advance of USD50 million was recognised as consideration payable under other payables and accruals and the contingent amount of the advance of USD30 million and the estimated costs of the smelter were recorded under contingent consideration payable.

(c) Summarised financial information in respect of the Group's joint venture which is considered by the directors as material is presented below.

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

Kanzi Diyor

	2026 RMB'000
Current assets	341,518
Non-current assets*	837,136
Current liabilities	(81,970)
Non-current liabilities	–
Net assets	1,096,684
Reconciliation of the Group's investment in the joint venture:	
Proportion of the Group's ownership	45%
Group's share of net assets of the joint venture	493,508
Add: the Group's share of the contingent considerations (note (b)):	122,996
Less: unrealised profit on sales to the joint venture	(1,082)
Carrying amount of the investment	615,422
Revenue	–
Loss for the period	(2,179)
Other comprehensive income	(6,312)
Total comprehensive income	(8,491)
Group's share of loss of the joint venture	(980)
Group's share of total comprehensive income of the joint venture	(3,821)

* Non-current assets mainly comprise mining rights and to a lesser extent, construction in progress and property, plant and equipment.

20. INTERESTS IN JOINT VENTURES (Continued)

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

	2026 RMB'000	2025 RMB'000
Share of the joint venture's loss for the year	–	–
Share of the joint venture's total comprehensive income for the year	–	–
Carrying amount of the joint venture	–	–

For the year ended 31 March 2026, the unrecognised share of loss of the joint venture amounted to RMB1,681,000 (2025: RMB5,105,000). The cumulative unrecognised share of losses as at 31 March 2026 amounted to RMB9,795,000 (2025: RMB8,114,000).

(e) Amounts due from joint ventures are interest-free, unsecured and repayable on demand. An impairment loss on the amounts due from joint ventures of RMB3,882,000 was recognised during the year (2025: Nil).

21. INTERESTS IN ASSOCIATES

	2026 RMB'000	2025 RMB'000
Share of net assets	67,842	60,550
Goodwill on acquisition	4,000	4,000
	71,842	64,550

21. INTERESTS IN ASSOCIATES (Continued)

(a) Details of the associates are as follows:

Name of associate	Form of business structure	Place of establishment and operation	Principal activities	Percentage of ownership interests/voting rights/ profit share held by the Group	
				2026	2025
內蒙古生力眾成民爆有限公司 Inner Mongolia Shengli Zhongcheng Civil Explosive Company Limited# ("Shengli Zhongcheng")	Limited liability company	PRC	Manufacturing and sale of explosives	**25%**	25%
烏海市天潤爆破服務有限責任公司 Wuhai City Tianrun Blasting Services Company Limited# ("Tianrun Blasting")	Limited liability company	PRC	Provision of blasting operation and related services	**35%**	35%
烏海市安盛爆破服務有限責任公司 Wuhai Ansheng Engineering Co. Limited# ("Wuhai Ansheng")	Limited liability company	PRC	Provision of blasting operation and related services	**34%**	34%

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

21. INTERESTS IN ASSOCIATES (Continued)

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

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

Shengli Zhongcheng

	2026 RMB'000	2025 RMB'000
Current assets	**78,415**	85,036
Non-current assets, excluding goodwill	**81,602**	83,214
Current liabilities	**(8,555)**	(10,182)
Non-current liabilities	**–**	–
Net assets, excluding goodwill	**151,462**	158,068
Reconciliation of the Group's investment in the associate:		
Proportion of the Group's ownership	**25%**	25%
Group's share of net assets of the associate, excluding goodwill	**37,865**	39,517
Goodwill on acquisition of the associate	**4,000**	4,000
Carrying amount of the investment	**41,865**	43,517
Revenue	**10,513**	89,787
(Loss)/profit for the year	**(6,606)**	26,809
Total comprehensive income	**(6,606)**	26,809
Group's share of (loss)/profit of the associate	**(1,652)**	6,702
Group's share of total comprehensive income of the associate	**(1,652)**	6,702

21. INTERESTS IN ASSOCIATES (Continued)

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

	2026 RMB'000	2025 RMB'000
Share of the associates' (loss)/profit for the year	**(856)**	11,444
Share of the associates' total comprehensive income for the year	**(856)**	11,444
Aggregate carrying amount of the Group's investments in the associates	**29,977**	21,033
Dividend received from the associates	**700**	4,169
Capital injection by the Group to an associate	**10,500**	–

(d) Amounts due from associates are interest-free, unsecured and repayable on demand. Included in the amounts due from associates were balances of RMB6,854,000 (2025: RMB10,171,000) in total which arose from entering into trading transactions with the associates as detailed in note 37(a).

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

	2026 RMB'000	2025 RMB'000
0-30 days	**1,540**	3,672
31-90 days	**412**	3,684
91 days to 1 year	**2,404**	2,815
Over 1 year	**2,498**	–
	6,854	10,171

22. INVENTORIES

	2026 RMB'000	2025 RMB'000
Raw materials	**71,533**	62,559
Finished goods	**37,877**	23,626
	109,410	86,185

23. TRADE AND BILLS RECEIVABLES

	2026 RMB'000	2025 RMB'000
Trade receivables, net	**208,950**	283,095
Bills receivables at FVOCI	**27,178**	118,092
	236,128	401,187

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

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

	2026 RMB'000	2025 RMB'000
0-30 days	**39,539**	63,680
31-90 days	**37,142**	53,149
91 days to 1 year	**61,332**	99,345
Over 1 year	**70,937**	66,921
	208,950	283,095

23. TRADE AND BILLS RECEIVABLES (Continued)

As at 31 March 2026 and 2025, all bills receivables are aged within 1 year.

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

	2026	2025
	RMB'000	RMB'000
At the beginning of the year	**56,697**	34,845
Impairment loss recognised for trade receivables arising from contracts with customers	**–**	21,852
At the end of the year	**56,697**	56,697

The Group recognised impairment loss for trade and bills receivables based on the accounting policies set out in note 3.13(ii). The Group's credit policy and credit risk arising from trade receivables are set out in note 41(a)(i).

As at 31 March 2026, the Group endorsed certain bills receivables with carrying amount in aggregate of RMB225,958,000 (2025: RMB225,449,000) (the "Endorsed Bills") for settlement of certain trade payables due to the suppliers. The Endorsed Bills had a maturity of one to six months. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Bills have a right of recourse against the Group only if the PRC banks which issued the bills receivables default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Endorsed Bills. Accordingly, it has derecognised the full carrying amounts of the Endorsed Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Endorsed Bills and the undiscounted cash flows to repurchase these Endorsed Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Endorsed Bills are not significant.

During the years ended 31 March 2026 and 2025, the Group has not recognised any gain or loss on the date of transfer of the Endorsed Bills. No gains or losses were recognised from Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

24. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2026 RMB'000	2025 RMB'000
Prepayments for purchase of property, plant and equipment and land use right	**203,739**	198,139
Prepayments to subcontractors and suppliers	**93,581**	45,115
Deposits and other receivables, net	**101,171**	78,964
Other taxes recoverable	**75,767**	25,825
Total	**474,258**	348,043
Less: Current portion	**(270,519)**	(149,904)
Non-current portion	**203,739**	198,139

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

	2026 RMB'000	2025 RMB'000
At the beginning of the year	**8,393**	9,585
Impairment loss recognised	**200**	–
Reversal of impairment loss recognised	**–**	(1,192)
Deregistration of a branch	**(200)**	–
At the end of the year	**8,393**	8,393

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

The Group's credit policy and credit risk arising from other receivables and deposits are set out in note 41(a)(ii).

25. AMOUNTS DUE TO A SHAREHOLDER/RELATED COMPANIES/A DIRECTOR

The amounts mainly represented advances from these parties.

The amounts due to these related parties are interest-free, unsecured, and repayable on demand, except for balances due to two related companies of RMB33,422,000 (2025: RMB73,530,000) and RMB538,000,000 (2025: Nil). The former balance is repayable on 31 December 2027, while the latter is not repayable before 30 June 2027.

26. RESTRICTED BANK BALANCES AND CASH AND CASH EQUIVALENTS

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

Included in bank balances and cash of the Group as at 31 March 2026 were amounts of RMB719,936,000 (2025: RMB580,179,000) which are denominated in RMB. RMB is not a freely convertible currency. Under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

At 31 March 2026, the restricted bank balances of RMB6,000,000 (2025: RMB6,000,000) represent a time deposit of the Group which is pledged for issuance of a performance bond by a bank in favour of a customer of the Group. The Group is required to indemnify the bank in case the customer claims the bank on non-performance of the Group under the service contract entered into between the Group and the customer.

As at 31 March 2025, the remainder of the restricted bank balances of RMB240,000 represented deposits frozen pursuant to assets preservation orders in relation to a PRC legal case initiated by a supplier against a subsidiary of the Company.

27. BORROWINGS

	2026 RMB'000	2025 RMB'000
Bank borrowings – secured (note (b)):		
Within one year or on demand	**303,900**	152,000
More than one year, but not exceeding two years	**111,000**	178,000
More than two years, but not exceeding five years	**462,500**	128,160
After five years	**50,500**	48,000
	927,900	506,160
Other borrowings – unsecured (note (c)):		
Within one year	**3,047**	–
More than one year, but not exceeding two years	**193,404**	293,068
	196,451	293,068
Entrusted borrowing – secured (note (d)):		
Within one year	**–**	47,310
More than two years, but not exceeding five years	**47,310**	–
After five years	**–**	50,000
	47,310	97,310
Borrowings from financial institutions – secured (note (e)):		
Within one year	**78,618**	–
More than one year, but not exceeding two years	**96,124**	–
More than two years, but not exceeding five years	**84,159**	–
	258,901	–
	1,430,562	896,538
Classified under:		
Current liabilities	**385,565**	199,310
Non-current liabilities	**1,044,997**	697,228
	1,430,562	896,538

27. BORROWINGS (Continued)

Notes:

(a) As at 31 March 2026 and 2025, all borrowings were denominated in RMB.

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

– mining rights of RMB528,389,000 (2025: RMB527,185,000);

– guarantees provided by a shareholder of a subsidiary and a former executive director of the Company, Mr. Ma Qiang ("Mr. Ma"); and

– guarantee provided by a non-controlling shareholder of certain subsidiaries of the Group.

Bank borrowings amounted to RMB648,000,000 (2025: RMB155,000,000) and RMB279,900,000 (2025: RMB351,160,000) are interest-bearing at the PRC Benchmark Lending Rate ("BLR") for loans with maturity of five years or above minus 2% to 0.3% per annum (2025: five years or above minus 0.3% per annum) and at the PRC BLR minus 1.75% to the PRC BLR minus 0.1% (2025: PRC BLR minus 1.75% to PRC BLR minus 0.05%) per annum respectively.

The effective interest rates for the bank borrowings ranged from 1.35% to 3.20% per annum (2025: 1.35% to 3.55% per annum).

The Group's non-current bank borrowings of RMB624,000,000 (2025: RMB354,160,000) are subject to the fulfillment of covenants relating to the debts to assets ratio and the current ratio of certain subsidiaries throughout the year, breaching which the banks have the right at their own sole discretion to demand immediate repayment at any time irrespective of whether the subsidiaries had met the scheduled repayment obligations. As at 31 March 2026, the Group complied with all the covenants that were required to be met on 31 March 2026. The covenants that are required to be complied with after the end of the current year do not affect the classification of the related borrowings as current or non-current as at 31 March 2026.

(c) Other borrowings as at 31 March 2026 of RMB196,451,000 (2025: RMB293,068,000) represent amounts due to certain shareholders and their affiliates of a subsidiary which are unsecured and interest-bearing at the PRC BLR for loans with maturity of five years or above. The borrowings mainly represent advances from these parties for financing the working capital of the subsidiary. As at 31 March 2025, all outstanding principal and interest were repayable by 30 June 2026. During the year, all shareholders and their affiliates of the subsidiary agreed to amend the terms of the loan agreements to further defer the repayment date of all outstanding principal and interest to 31 December 2027 except for an amount owing to a shareholder of the subsidiary of RMB3,047,000 which remained repayable by 30 June 2026.

(d) Pursuant to an entrusted loan agreement (the "Entrusted Loan Agreement") entered into between a shareholder of a subsidiary (the "Shareholder") and an independent third party (the "Lender"), the Shareholder borrowed from the Lender an entrusted loan with principal amount of RMB100,000,000 through a bank in the PRC. The entrusted loan is interest-bearing at 1.2% per annum and secured by a corporate guarantee provided by an independent financial institution (the "Guarantor") in the PRC. RMB47,310,000 and RMB50,000,000 of the entrusted loan as at 31 March 2025 are repayable on 28 February 2026 and 28 February 2031 respectively. The Shareholder in turn entered into a loan agreement with the subsidiary to lend the entrusted loan to the subsidiary under the same terms as the Entrusted Loan Agreement and the subsidiary is required to bear all the costs and obligations under the Entrusted Loan Agreement. Moreover, counter guarantees are provided to the Guarantor through guarantees provided by certain shareholders, directors and ex-directors of the subsidiary and a pledge on the mining rights of a subsidiary with carrying amount of RMB174,250,000 (2025: RMB185,859,000) of the Group. During the year, the Group has repaid RMB50,000,000 to the Lender.

(e) During the year, the Group entered into sales and lease back arrangements for certain plant and machinery and the substance of the arrangements is to obtain finance for working capital. The Group continues to account for these plant and machinery as property, plant and equipment and the proceeds from the arrangements are accounted for as borrowings. The borrowings are secured by the pledge of:

– security deposits of RMB18,830,000;

– property, plant and equipment of RMB82,037,000; and

– guarantee provided by Mr. Ma.

The effective interest rates for these borrowings ranged from 5.84% to 5.94% per annum.

28. TRADE PAYABLES

	2026 RMB'000	2025 RMB'000
Trade payables	255,926	301,290
Retention payables	4,550	1,385
	260,476	302,675

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

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

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

	2026 RMB'000	2025 RMB'000
0-180 days	220,730	156,854
181-365 days	18,232	30,085
Over 1 year	21,514	115,736
	260,476	302,675

29. OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES

Other payables and accruals

	2026 RMB'000	2025 RMB'000
Salaries and staff welfare payables	**87,437**	83,295
Other taxes payable	**19,168**	21,180
Amounts due to creditors of the non-controlling shareholder of a subsidiary (note (a))	**135,986**	673,986
Payables for construction or acquisition of property, plant and equipment and production quota	**4,969**	680
Other payables and accruals (notes (b))	**211,303**	182,441
Levy on mining rights (note (c))	**29,150**	38,860
Consideration payable to a joint venture (note (d))	**250,873**	–
Total	**738,886**	1,000,442
Less: Current portion	**(719,446)**	(971,292)
Non-current portion (note (c))	**19,440**	29,150

Notes:

(a) The amounts due to the creditors of a non-controlling shareholder of Tibet Tianren were interest-free, unsecured and repayable on demand. As disclosed in note 3.1(iii), during the current year, RMB538,000,000 of the balance (i.e. the Debt) was assigned to a related company of the Company and the terms of the Debt were revised. The Debt becomes interest-free, unsecured and not repayable within 12 months from the reporting date and is therefore classified as a non-current liability as at 31 March 2026.

(b) As at 31 March 2025, included in the balance was an amount due to an independent third party of RMB20,159,000 which was non-trade in nature, unsecured, interest-bearing at 4.35% per annum and repayable on demand. The balance was fully repaid during the current year.

(c) The balance related to a levy of RMB38,860,000 imposed by the local government on revenue generated from one of the Group's mining rights during the year ended 31 March 2025. Pursuant to the relevant government notice, the levy shall be settled by 3 equal instalments of RMB9,710,000 in December 2025, 2026 and 2027 and the remaining balance in December 2028.

(d) The balance represents the unutilised portion of the loan facility committed advance to Kanzi Diyor for mine development as of the end of the reporting period. As detailed in note 20(b), the Group is obligated to fund the mining project via a loan facility of not less than USD50 million.

29. OTHER PAYABLES AND ACCRUALS AND CONTRACT LIABILITIES (Continued)

Contract liabilities

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

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

	2026	2025
	RMB'000	RMB'000
At the beginning of the year	**52,051**	23,217
Cash received	**1,085,888**	921,420
Recognised as revenue	**(997,179)**	(892,613)
Exchange realignment	**152**	27
At the end of the year	**140,912**	52,051

The contract liabilities of RMB52,051,000 (2025: RMB23,217,000) at the beginning of the year were recognised as revenue for the year from satisfying performance obligations during the year.

The contract liabilities at the end of the reporting period are expected to be recognised as revenue in the next financial year.

30. PROVISION

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

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

	2026	2025
	RMB'000	RMB'000
At the beginning	**15,360**	11,886
Unwinding interest	**767**	3,474
At the end of the year	**16,127**	15,360

31. PARTIAL DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

For the year ended 31 March 2026

In June 2025, a wholly-owned subsidiary, Tibet Fudeyuan Trading Limited transferred its 27% equity interest in Tibet Tianren to a 55%-owned subsidiary holding 27% shareholding in Tibet Tianren (the "Transfer"). Furthermore, on 31 July 2025, an independent third party acquired a 5% equity interest in a non-wholly-owned subsidiary, Tibet Tianren by capital injection of RMB45,170,000, of which RMB20,000,000 was unpaid as at 31 March 2026 and included in "other receivables". These transactions resulted in a reduction in the Group's effective interest in Tibet Tianren from 42% to 28% and is accounted for as an equity transaction as the Group still controls Tibet Tianren.

The effect of the dilution for the Group's interest in Tibet Tianren is as follows:

	2026 **RMB'000**
Consideration for 5% equity interest in Tibet Tianren	**45,170**
Carrying amount of non-controlling interests increased, being the proportionate share of the carrying amount of the net assets of Tibet Tianren on 31 July 2025	**(14,109)**
Credited to other reserve (note 34(h))	**31,061**

For the year ended 31 March 2025

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

	2025 RMB'000
Consideration received for 40% equity interest in PIL	50,000
Carrying amount of non-controlling interest increased being the proportionate share of the carrying amount of the net assets of PIL and its subsidiaries on 25 March 2025	(18,367)
Credited to other reserve (note 34(h))	31,633

32. SHARE AWARD SCHEME

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

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

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

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

No Awarded Shares were granted during the year ended 31 March 2025.

33. SHARE CAPITAL

	2026 Number of shares '000	2026 Nominal value HK$'000	2026 Nominal value RMB'000	2025 Number of shares '000	2025 Nominal value HK$'000	2025 Nominal value RMB'000
Authorised:						
Ordinary shares of HK$0.01 each						
At beginning and end of the year	**5,000,000**	**50,000**		5,000,000	50,000	
Issued and fully paid:						
Ordinary shares of HK$0.01 each						
At beginning and end of the year	**3,558,725**	**35,586**	**40,259**	3,558,725	35,586	40,259

Treasury shares:	2026 Number of shares '000	2026 RMB'000	2025 Number of shares '000	2025 RMB'000
At the beginning of the year	**–**	**–**	62,311	27,640
Disposal (Note)	**–**	**–**	(62,311)	(27,640)
At the end of the year	**–**	**–**	–	–

33. SHARE CAPITAL (Continued)

	2026 Number of shares '000	2025 Number of shares '000
Number of shares in open market:		
At the beginning of the year	**3,558,725**	3,496,414
Disposal of treasury shares (Note)	**–**	62,311
At the end of the year	**3,558,725**	3,558,725

Note:

The Group sold all the treasury shares with aggregate net proceeds of RMB32,800,000 (equivalent to HK$38,060,000) during the year ended 31 March 2025. The difference between the net proceeds and the cost of the treasury shares of RMB5,160,000 was credited to the share premium account.

The Company sold its own ordinary shares as follows:

Month of sale	Number of treasury shares of HK$0.01 each	Price per share Lowest HK$	Price per share Highest HK$	Aggregate consideration received RMB'000
March	62,311,000	0.64	0.50	32,800

34. RESERVES

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

(a) Share premium

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

(b) Capital distributable reserve

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

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

(c) Contributed surplus

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

(d) Restructuring reserve

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

34. RESERVES (Continued)

(e) Merger reserve

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

(f) Foreign currency translation reserve

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

(g) Statutory reserve

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

(h) Other reserves

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

It also represents:

– the difference between the consideration paid to acquire additional equity interests in a subsidiary and the proportionate share of the carrying amount of the net assets of the subsidiary at the date of the acquisition in 2023; and

– the difference between the consideration received and the increase in the non-controlling interests at the date of disposal in 2025 and 2026. Details of the transactions are set out in note 31.

35. NON-CONTROLLING INTERESTS ("NCI")

The following non-wholly-owned subsidiaries including Subsidiary A, Subsidiary D, Subsidiary E, Subsidiary F, Anhui Jinding and Tibet Tianren are considered as having material NCIs at the end of the reporting period.

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

2026	Subsidiary A RMB'000	Subsidiary D RMB'000	Subsidiary E RMB'000	Subsidiary F RMB'000	Anhui Jinding RMB'000	Tibet Tianren RMB'000
NCI %	69.99%	(Note (c))	40%	(Note (b))	49%	(Note (a))
Non-current assets	161,525	271,071	90,675	1,962,311	1,427,060	1,961,991
Current assets	60,407	593,939	1,225,825	703,063	202,424	360,635
Current liabilities	(98,558)	(237,203)	(798,621)	(937,690)	(528,697)	(1,275,793)
Non-current liabilities	–	(42,046)	(70,000)	(1,038,000)	(468,519)	(1,038,000)
Net assets	123,374	585,761	447,879	689,684	632,268	8,833
Accumulated NCI	86,354	239,727	179,151	357,982	309,811	6,341
Revenue	119,446	313,642	564,805	–	981,033	–
Profit/(loss) for the year	37,470	92,139	79,136	(68,984)	257,037	(108,221)
Total comprehensive income	45,747	92,139	79,136	(68,984)	257,037	(108,221)
Profit/(loss) allocated to NCI	26,416	37,190	31,654	(3,131)	125,948	(70,499)
Total comprehensive income allocated to NCI	32,020	37,190	31,654	(3,131)	125,948	(70,499)
Dividend declared to NCI	13,492	80,392	–	–	19,600	–
Net cash inflows/(outflows) from operating activities	77,119	90,019	326,284	3,393	363,771	18,943
Net cash outflows from investing activities	(59,822)	(19,384)	(558,463)	(594,616)	(99,226)	(558,712)
Net cash (outflows)/inflows from financing activities	(18,896)	19,516	113,835	796,476	(298,713)	743,764

35. NON-CONTROLLING INTERESTS (“NCI”) (Continued)

2025	Subsidiary A RMB’000	Subsidiary D RMB’000	Subsidiary E RMB’000	Subsidiary F RMB’000	Anhui Jinding RMB’000	Tibet Tianren RMB’000
NCI %	69.99%	(Note (c))	40%	(Note (b))	49%	(Note (a))
Non-current assets	104,314	265,930	27,049	74,834	1,418,376	1,401,292
Current assets	41,528	494,407	870,392	459,900	214,906	93,349
Current liabilities	(41,225)	(66,323)	(444,530)	(47,117)	(716,624)	(1,295,597)
Non-current liabilities	–	–	(84,167)	–	(501,428)	(127,160)
Net assets	104,617	694,014	368,744	487,617	415,230	71,884
Accumulated NCI	73,221	277,606	147,497	388,927	203,463	33,066
Revenue	99,690	559,218	441,790	–	847,997	–
Profit/(loss) for the year	43,537	178,489	1,774	(2,041)	194,790	(46,211)
Total comprehensive income	44,993	178,489	1,774	(2,041)	194,790	(46,211)
Profit/(loss) allocated to NCI	21,764	71,396	710	(918)	95,447	(21,257)
Total comprehensive income allocated to NCI	22,492	71,396	710	(918)	95,447	(21,257)
Dividend declared to NCI	18,411	294	–	–	41,049	–
Capital contribution from NCI	–	–	–	165,000	–	–
Net cash inflows/(outflows) from operating activities	62,060	(9,817)	71,458	(1,149)	445,032	(58,564)
Net cash outflows from investing activities	(39,640)	(9,453)	(77,268)	(281,461)	(119,065)	(269,932)
Net cash (outflows)/inflows from financing activities	(19,508)	(294)	133,719	210,105	(196,526)	391,347

Notes:

(a) As detailed in note 31, following the Transfer and the disposal of 5% equity interest of Tibet Tianren during the year, the NCIs’ percentage of effective ownership interest in Tibet Tianren increased from 41.8% to 71.8% since then.

(b) Subsidiary F is a 55%-owned subsidiary which holds 54% (2025: 27%) of Tibet Tianren. The difference between the amount of accumulated NCI of Subsidiary F and the share of Subsidiary F’s net assets by the NCI is mainly due to the registered capital of Subsidiary F not yet being fully contributed by the respective shareholders including the Group.

(c) Subsidiary D is a 60%-owned subsidiary. Subsidiary D holds two non-wholly-owned subsidiaries. The amount of accumulated NCI of Subsidiary D included the share of net assets of these two subsidiaries by their NCI.

36. CAPITAL COMMITMENTS

	2026	2025
	RMB'000	RMB'000
Acquisition of property, plant and equipment	**886,977**	179,934

37. RELATED PARTY TRANSACTIONS

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

	Name of related party	**Related party relationship**	**Type of transaction**	**Transaction amount**	
				2026	2025
				RMB'000	RMB'000
(i)	內蒙古盛安保安有限責任公司 (Inner Mongolia Shengan Security Limited) (note)	Entity under common control of Mr. Ma	Security services provided by the related party	**1,652**	1,665
(ii)	Tianrun Blasting	Associate	Sales to the related party	**4,484**	14,473
(iii)	Wuhai Ansheng	Associate	Sales to the related party	**12,717**	30,165
(iv)	Kanzi Diyor	Joint Venture	Sales to the related party	**17,308**	–

Note:

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

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

(b) Members of key management personnel compensation:

	2026	2025
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	**9,026**	6,166

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) During the year ended 31 March 2025, the indemnification asset amounting to RMB27,897,000 was fully settled by the non-controlling shareholders, upon their exercise of the option to offset against the dividend payable to them.

(b) As detailed in note 29, for the year ended 31 March 2025, part of additions to intangible assets related to the levy imposed by the local government on one of the Group's mining rights of RMB38,860,000 is payable in financial year 2026 to 2029.

(c) As at 31 March 2026, included in the investment cost in Kanzi Diyor of RMB620,325,000 (note 20(b) are consideration payable of RMB250,873,000 (note 29) and contingent consideration payable of RMB273,325,000 (note 20(b)) which did not involve cash payments.

(d) During the year ended 31 March 2026, the capital injection to an associate of RMB10,500,000 was satisfied by capitalisation of the same amount due from the associate.

38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(e) Reconciliation of liabilities arising from financing activities:

	Lease liabilities (note 16(b)) RMB'000	Borrowings (note 27) RMB'000	Amounts due to related companies (note 25) RMB'000	Amount due to a shareholder (note 25) RMB'000	Amount due to a director (note 25) RMB'000	Dividend payable to the owners of the Company RMB'000
At 1 April 2024	2,637	732,273	85,530	47,141	–	5,813
Changes from cash flows:						
Interest paid	–	(13,004)	–	–	–	–
Proceeds from new borrowings	–	335,260	–	–	–	–
Lease repayments	(4,735)	–	–	–	–	–
Repayments of advances	–	–	(6,720)	(32,479)	–	–
Dividend paid	–	–	–	–	–	(31,657)
Repayment of borrowings	–	(184,900)	–	–	–	–
	(4,735)	137,356	(6,720)	(32,479)	–	(31,657)
Other changes:						
New leases	5,224	–	–	–	–	–
Interest expenses	71	26,909	–	–	–	–
Dividend declared	–	–	–	–	–	32,740
Exchange alignment	18	–	–	–	–	76
	5,313	26,909	–	–	–	32,816
At 31 March 2025 and 1 April 2025	3,215	896,538	78,810	14,662	–	6,972
Changes from cash flows:						
Interest paid	–	(25,146)	–	–	–	–
Proceeds from new borrowings	–	983,800	–	–	–	–
Lease repayments	(2,586)	–	–	–	–	–
New advances	–	–	48,392	17,745	12,467	–
Repayments of advances	–	–	(93,780)	(137)	–	–
Dividend paid	–	–	–	–	–	(46,969)
Repayment of borrowings	–	(450,558)	–	–	–	–
	(2,586)	508,096	(45,388)	17,608	12,467	(46,969)
Other changes:						
Interest expenses	31	25,928	–	–	–	–
Dividend declared	–	–	–	–	–	48,577
Transferred from other payable	–	–	538,000	–	–	–
Exchange alignment	(46)	–	–	(1,369)	(411)	(428)
	(15)	25,928	538,000	(1,369)	(411)	48,149
At 31 March 2026	614	1,430,562	571,422	30,901	12,056	8,152

39. DIVIDENDS

	2026	2025
	RMB'000	RMB'000
Final dividend proposed after the end of reporting period:		
2026: HK$0.028 per share	**87,687**	–
2025: HK$0.015 per share	**–**	49,644
	87,687	49,644

The directors recommend the payment of final dividend of HK$0.028 per share (2025: HK$0.015 per share), amounting to RMB87,687,000 (equivalent to HK$99,644,000) (2025: RMB49,644,000 (equivalent to HK$53,381,000)) for the year ended 31 March 2026 which is subject to shareholders' approval at the forthcoming annual general meeting.

The final dividend declared subsequently to 31 March 2026 has not been recognised as a liability as at 31 March 2026.

40. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES

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

	2026	2025
	RMB'000	RMB'000
Financial assets		
Financial assets at FVOCI		
– bills receivables	**27,178**	118,092
Financial assets at amortised cost		
– cash and cash equivalents	**746,589**	632,545
– restricted bank balances	**6,000**	6,240
– trade receivables	**208,950**	283,095
– deposits and other receivables	**101,171**	78,964
– amounts due from associates	**11,022**	24,156
– amounts due from joint ventures	**15,862**	4,888
	1,116,772	1,147,980
Financial liabilities		
Financial liabilities at amortised cost		
– trade payables	**260,476**	302,675
– other payables and accruals	**690,568**	940,402
– dividend payable	**8,152**	6,972
– amounts due to related companies	**571,422**	78,810
– amount due to a shareholder	**30,901**	14,662
– amount due to a director	**12,056**	–
– borrowings	**1,430,562**	896,538
	3,004,137	2,240,059
Other financial instruments		
– Lease liabilities	**614**	3,215

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

(a) Financial instruments not measured at fair value

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

(b) Financial instruments measured at fair value

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

41. FINANCIAL RISK MANAGEMENT

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

(a) Credit risk

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

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

The Group has a certain concentration of credit risk in respect of trade receivable from a customer in explosive trading and blasting services segment as 21% (2025: 17%) of the total trade receivables at the reporting date was attributable to this customer. Furthermore, 95% (2025: 99%) of the total trade receivables relate to customers located in the PRC.

Cash and cash equivalents and restricted bank balances are mainly deposited with registered banks in the PRC, Hong Kong and Tajikistan. The directors consider the credit risk on bank balances to be limited because the counterparties are reputable banks or banks with high-credit rating. No bill receivables as at 31 March 2026 and 2025 were past due. The directors consider the credit risk on bills receivables to be low since the issuers or the banks which guarantee payments of bills receivables are of high credit rating.

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

41. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(i) Impairment of trade receivables

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

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated collectively using a provision matrix based on days past due for groupings of customer segments that have similar loss patterns. For customers with credit-impaired balances, they are assessed for ECLs individually.

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

	2026		
	Expected loss rate (%)	Gross carrying amount RMB'000	Loss allowance RMB'000
Collective assessment:			
Current	N/A	–	–
0-30 days past due	4.0	41,178	1,639
31-90 days past due	5.0	39,092	1,950
91 days to 1 year past due	9.4	67,694	6,362
Over 1 year past due	6.7	76,068	5,131
		224,032	15,082
Individual assessment:			
Credit-impaired balances	100.0	41,615	41,615
		265,647	56,697

41. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(i) Impairment of trade receivables (Continued)

	2025		
	Expected loss rate (%)	Gross carrying amount RMB'000	Loss allowance RMB'000
Collective assessment:			
Current	0.0	2,957	–
0-30 days past due	5.1	63,980	3,256
31-90 days past due	4.3	55,551	2,402
91 days to 1 year past due	5.5	170,987	9,424
Over 1 year past due (note)	0.0	4,702	–
		298,177	15,082
Individual assessment:			
Credited-impaired balances (note)	100.0	41,615	41,615
		339,792	56,697

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

Note:

Included in collective assessment as at 31 March 2025 was a balance of RMB14,920,000 which was credit-impaired and ECL allowance of the full amount of the balance was made. For current year's presentation and comparison purposes, such balance was categorised under individual assessment.

41. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(ii) Impairment of other receivables and deposits

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

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

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

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

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

41. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(ii) Impairment of other receivables and deposits (Continued)

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

	2026				
	Expected loss rate (%)	**12-month ECLs Stage 1 RMB'000**	**Lifetime ECLs Stage 2 RMB'000**	**Gross carrying amount RMB'000**	**Loss allowance RMB'000**
Other receivables and deposits	**0.5-36.4%**	**86,495**	**23,069**	**109,564**	**8,393**

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

The Group measures loss allowance for other receivables and deposits by considering probabilities of default. The Group analyses the debtors based on their credit risk characteristics and determines probability of default for each risk cluster with reference to external ratings and benchmarking to similar risk portfolio. ECL rates are thereby determined based on probabilities of default, taking into account loss given default and adjusted for forward-looking information.

The directors have assessed that there has been a significant increase in credit risk in respect of a debtor to whom the Group sold certain property, plant and equipment in previous years with gross carrying amount totalling RMB23,069,000 (2025: RMB25,069,000) since initial recognition and thus the Group provided impairment for the balance using lifetime basis. For other receivables and deposits, the Group provided impairment based on 12-month ECL.

41. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(iii) Impairment of amounts due from associates and joint ventures

In respect of amounts due from related companies, which primarily comprise amounts due from associates and joint ventures totaling RMB26,884,000 (2025: RMB29,044,000), the directors assessed that there has been no significant increase in credit risk since initial recognition for the majority of these balances, except for an amount due from a joint venture as further detailed below, and Group has measured the loss allowance at an amount equal to 12-month ECL. A significant increase in credit risk since initial recognition was identified for an amount due from a joint venture with a gross carrying amount of RMB7,264,000 (2025: Nil). Accordingly, the Group measured the impairment loss for this balance based on lifetime ECL and recognised an impairment loss of RMB3,882,000 (2025: Nil) for the year ended 31 March 2026. No ECL allowance was provided for the amounts due from associates as the impact was considered insignificant.

(b) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities and other financial instruments that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables and other payables, including amounts due to related parties, dividend payable, borrowings, lease liabilities and its financing obligation and also in respect of its cash flow management. Each entity within the Group is responsible for its own cash management.

The Group's policy is to regularly monitor its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. Note 3.1 to the consolidated financial statements explains the management's plans for managing liquidity needs of the Group to enable the Group to continue to meet its obligations as they fall due.

41. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its financial liabilities (other than lease liabilities (note 16(b)) as at the end of the reporting period, which are based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates ruling at the end of the reporting period) and the earliest date the Group can be required to pay.

	Within one year or on demand	More than one year but less than two years	More than two years but less than five years	More than five years	Total contractual undiscounted cash flows	Carrying
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 March 2026						
Non-derivative financial liabilities						
Trade payables	**260,476**	**–**	**–**	**–**	**260,476**	**260,476**
Other payables and accruals	**690,568**	**–**	**–**	**–**	**690,568**	**690,568**
Dividend payable	**8,152**	**–**	**–**	**–**	**8,152**	**8,152**
Amounts due to related companies	**–**	**571,422**	**–**	**–**	**571,422**	**571,422**
Amount due to a shareholder	**30,901**	**–**	**–**	**–**	**30,901**	**30,901**
Amount due to a director	**12,056**	**–**	**–**	**–**	**12,056**	**12,056**
Borrowings	**415,732**	**426,509**	**616,917**	**51,384**	**1,510,542**	**1,430,562**
	1,417,885	**997,931**	**616,917**	**51,384**	**3,084,117**	**3,004,137**
As at 31 March 2025						
Non-derivative financial liabilities						
Trade payables	302,675	–	–	–	302,675	302,675
Other payables and accruals	940,402	–	–	–	940,402	940,402
Dividend payable	6,972	–	–	–	6,972	6,972
Amounts due to related companies	5,280	–	73,530	–	78,810	78,810
Amount due to a shareholder	14,662	–	–	–	14,662	14,662
Borrowings	214,204	548,927	83,686	101,083	947,900	896,538
	1,484,195	548,927	157,216	101,083	2,291,421	2,240,059

41. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's interest rate risk mainly arises from bank balances and borrowings with as disclosed in notes 26 and 27 respectively. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rate on PRC BLR arising from the Group's variable-rate borrowings. The directors of the Company consider that interest rate exposure on bank deposits is not significant due to low level of interest rate on these deposits.

The Group has not used any financial instruments to hedge potential fluctuations in interest rates as the change of interest rate on bank deposits and borrowings is not expected to be significant. The interest rates and terms of repayments of the Group's borrowings are disclosed in note 27.

As at 31 March 2026, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, interest to be capitalised in the Group's construction in progress for the year would be increased/decreased by RMB2,500,000 (2025: RMB836,000); and profit for the year and retained profits would be decreased/increased by approximately RMB1,596,000 (2025: RMB1,825,000) in response to the general increase/decrease in interest rates.

(d) Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates in Hong Kong, the PRC, Tajikistan and Kyrgyzstan. Transactions of group companies in Hong Kong are denominated and settled in HK$ and United States dollar ("USD") while transactions of group companies in the PRC and Tajikistan are denominated and settled in RMB and USD, and Tajikistani Somoni ("TJS") and lesser extent, Kyrgyzstani Som, respectively.

The Group has transactional currency exposure. This exposure mainly arises from purchase transactions of an operating unit from the explosive trading and blasting services segment in a currency other than the unit's functional currency. The Group's Tajikistan entity imports goods from PRC suppliers, which are predominately conducted in RMB and USD. As a result, the Group is exposed to fluctuations in the exchange rate between RMB and USD and TJS.

41. FINANCIAL RISK MANAGEMENT (Continued)

(d) Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities in net position (excluding HK$ and USD) at the end of the reporting period are as follows:

	2026 **RMB'000**	2025 RMB'000
Net monetary assets/(liabilities)		
USD	**3,454**	1,904
RMB	**209**	(970)

42. CAPITAL RISK MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

Capital structure of the Group comprises equity plus debts raised by the Group (including borrowings) net with cash and cash equivalents. The Group's management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new share as well as issue new debt or redeem its existing debt as it sees fit and appropriate. No change was made in the objectives, policies or processes for managing capital during the year ended 31 March 2026.

The net debt-to-adjusted capital ratio at the end of the reporting period is as follows:

	2026 **RMB'000**	2025 RMB'000
Debts – borrowings	**1,430,562**	896,538
Less: cash and cash equivalents	**(746,589)**	(632,545)
Net debts	**683,973**	263,993
Total equity	**2,417,850**	2,175,488
Net debt to equity ratio	**28.3%**	12.1%

The Group targets to maintain a net debt to equity ratio to be in line with the expected changes in economic and financial conditions.

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(a) Statement of financial position of the Company

	Notes	2026 RMB'000	2025 RMB'000
Non-current assets			
Property, plant and equipment		–	205
Investments in subsidiaries		60,266	60,266
		60,266	60,471
Current assets			
Amounts due from subsidiaries		195,423	158,646
Other receivables, prepayments and deposits		234	34
Cash and cash equivalents		14,289	2,946
		209,946	161,626
Current liabilities			
Other payables and accruals		18,946	3,342
Dividend payable		8,152	6,972
Amounts due to subsidiaries		20,249	4,469
Amount due to a shareholder		30,901	14,662
Amount due to a director		12,056	–
		90,304	29,445
Net current assets		119,642	132,181
Net assets		179,908	192,652
Capital and reserves			
Share capital	33	40,259	40,259
Reserves	43(b)	139,649	152,393
Total equity		179,908	192,652

On behalf of the Board

Mr. Ma Tianyi
Director

Ms. Shen Tianwei
Company Secretary

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

(b) Reserves of the Company

	Share premium RMB'000	Capital distributable reserve RMB'000	Contributed surplus RMB'000	Merger reserve RMB'000	Foreign currency translation reserve RMB'000	Retained profits RMB'000	Total RMB'000
As at 1 April 2024	497,218	25,141	(18,702)	(613,910)	(23,065)	200,051	66,733
Profit for the year	–	–	–	–	–	108,905	108,905
Dividend declared or approved	(32,740)	–	–	–	–	–	(32,740)
Disposal of treasury shares	5,160	–	–	–	–	–	5,160
Exchange difference from translation to presentation currency	–	–	–	–	4,335	–	4,335
As at 31 March 2025	469,638	25,141	(18,702)	(613,910)	(18,730)	308,956	152,393
Profit for the year	–	–	–	–	–	43,490	43,490
Dividend declared or approved	(48,577)	–	–	–	–	–	(48,577)
Exchange difference from translation to presentation currency	–	–	–	–	(7,657)	–	(7,657)
As at 31 March 2026	421,061	25,141	(18,702)	(613,910)	(26,387)	352,446	139,649

44. PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries as at 31 March 2026 are as follows:

Name	Place of incorporation and operation	Particulars of issued and paid up capital/registered capital	Percentage of ownership interests/voting rights/profit share held by the Company Directly	Indirectly(*)	Principal activities
Perfect Start development Limited ("Perfect Start")	The British Virgin Islands ("BVI")	50,000 ordinary shares of US$1 each	100%	–	Investment holding
Pizu International Limited ("PIL")	Hong Kong	HK$71,200,000	–	60%	Investment holding
KM Muosir Limited Liability Company ("Subsidiary A") (notes (iv) and (vi))	Tajikistan	TJS88,700,000	–	30.01%	Manufacture and sale of explosives
SHIRKATI SANOATII PIZU Limited Liability Company (notes (iv))	Tajikistan	TJS1,000,000	–	100% (2025: nil)	Investment holding and provision of mining operation services
KP International Limited Liability Company (notes (v) and (vi))	Kyrgyzstan	Kyrgyzstani Som 100,000	–	30.6%	Manufacture and sale of explosives
Pizu Trading Limited	Hong Kong	HK$10,000	–	100%	Investment holding
Ample Ocean Holdings Limited	BVI	50,000 ordinary shares of US$1 each	100%	–	Investment holding
Ample Ocean Group Limited	Hong Kong	HK$1,000,000	100%	–	Investment holding
Ample Ocean Global Limited	BVI	HK$50,000	100%	–	Investment holding
西藏福德圓實業集團有限公司 Tibet Fudeyuan Trading Limited (notes (i) and (ii))	PRC	RMB100,000,000	–	100%	Investment holding
巴彥淖爾市安泰民爆器材有限責任公司 Bayannur City Antai Explosives Equipment Company Limited (notes (i), (iii) and (vii))	PRC	RMB1,350,000	–	30.6%	Trading of civil explosives

44. PARTICULARS OF SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 March 2026 are as follows: (Continued)

Name	Place of incorporation and operation	Particulars of issued and paid up capital/registered capital	Percentage of ownership interests/voting rights/profit share held by the Company Directly	Indirectly[*]	Principal activities
比優(西藏)資源開發利用有限責任公司 Pizu (Tibet) Resources Development and Utilisation Co., Ltd. (notes (i) and (iii)) ("Subsidiary F")	PRC	RMB752,000,000 (2025: RMB490,000,000)	–	55%	Investment holding
比優探索(北京)資源勘查有限公司 Pizu (Beijing) Resources Exploration Co., Ltd. (notes (i) and (iii))	PRC	RMB10,000,000	–	51%	Exploration and provision of technical service
內蒙烏拉特前旗盛安化工有限公司 Inner Mongolia Urad Front Banner Shengan Chemical Limited (notes (i), (iii) and (vii))	PRC	RMB1,000,000	–	42%	Manufacture and sale of explosives
內蒙古盛安化工有限責任公司 Inner Mongolia Shengan Chemical Limited ("Subsidiary D") (notes (i) and (iii))	PRC	RMB200,000,000	–	60%	Investment holding and sourcing of production materials for group companies
巴彥淖爾盛安化工有限責任公司 Bayannur Shengan Chemical Limited ("Subsidiary C") (notes (i) and (iii))	PRC	RMB20,000,000	–	60%	Manufacturing and sale of civil explosives
內蒙聚力工程爆破有限公司 Inner Mongolia Juli Engineering and Blasting Services Limited ("Subsidiary E") (notes (i) and (iii))	PRC	RMB200,000,000	–	60%	Sale of civil explosives and provision of blasting operations and related services
西藏廣旭實業有限公司 Tibet Guangxu Industrial Company Limited (notes (i) and (iii))	PRC	RMB50,000,000	–	60%	Provision of mining and subcontracting services

44. PARTICULARS OF SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 March 2026 are as follows: (Continued)

Name	Place of incorporation and operation	Particulars of issued and paid up capital/registered capital	Percentage of ownership interests/voting rights/ profit share held by the Company Directly	Indirectly[*]	Principal activities
鄂托克旗盛安九二九化工有限責任公司 Otog Banner Shengan 929 Chemical Limited ("Subsidiary B") (notes (i) and (iii))	PRC	RMB30,000,000	–	60%	Manufacturing and sale of civil explosives
安徽省金鼎礦業股份有限公司 Anhui Jinding Mining Co., Ltd (note (i) and (iii))	PRC	RMB375,292,836	–	51%	Mining, processing of pyrite, iron ore and copper and the sale of the said mineral products
西藏天仁礦業有限公司 Tibet Tianren Mining Co., Ltd (notes (i), (iii) and (vii))	PRC	RMB200,000,000	–	28.2% (2025: 41.8%)	Mining and sale of non-ferrous metal products
烏拉特中旗眾泰爆破有限責任公司 Wulatezhongqi Zhongtai Explosives Co., Ltd. (notes (i) and (iii))	PRC	RMB10,000,000	–	60%	Provision of blasting operations and related services
西藏晟安工業製造有限責任公司 Tibet Shengan Industrial Manufacturing Co., Ltd. (notes (i) and (iii))	PRC	RMB10,000,000	–	60%	Manufacturing and sale of civil explosives
比優大洋(上海)企業管理有限公司 Pizu Ocean (Shanghai) Business Management Co., Ltd. (notes (i) and (ii))	PRC	RMB50,000,000	–	100% (2025: nil)	Provision of business management service to group companies

44. PARTICULARS OF SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 March 2026 are as follows: (Continued)

(*) represents Group's effective interest

Notes:

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

(ii) The company is a wholly-foreign-owned enterprise in the PRC.

(iii) The company is a limited liability company in the PRC.

(iv) The company is a limited liability company in Tajikistan.

(v) The company is a limited liability company in Kyrgyzstan.

(vi) The directors consider the Group has control over Subsidiary A and KP International Limited as the Group has control over these subsidiaries through the respective shareholders' agreements.

(vii) The entity is a subsidiary of a non-wholly-owned subsidiary of the Company and accordingly, is accounted for as a subsidiary by virtue of the Company's control over the non-wholly-owned subsidiary.

45. SUBSEQUENT EVENTS

In April 2026, the former customer filed an application for retrial with the Supreme People's Court of the People's Republic of China, seeking a revocation of the Final Judgment (Note 6(iii)) and a revised ruling to dismiss all claims previously brought by the Group. At the date of approval of these consolidated financial statements, the hearing date of the retrial is to be scheduled. Based on the legal advice obtained, the directors are of the opinion that the probability of the Final Judgment being overturned upon retrial is low.

On 28 April 2026, the shareholders of the Company passed a special resolution at the extraordinary general meeting approving the proposed change of domicile of the Company from the Cayman Islands to Hong Kong and the adoption of the new articles of association. The change of domicile and the adoption of the new articles of association remain subject to the fulfilment of the relevant conditions precedent, including the obtaining of all necessary governmental and regulatory approvals and the certificate of re-domiciliation issued by the Companies Registry in Hong Kong. As at the date of approval of these consolidated financial statements, the change of domicile had not yet become effective.

On 23 June 2026, the Subsidiary, Kanzi Diyor, and Avesto Group entered into a second supplemental agreement to the cooperation agreement detailed in Note 20(b). Pursuant to the second supplemental agreement, the parties have agreed to extend the existing cooperation model to several new mining rights and exploration rights, which were granted to Kanzi Diyor by the government of Tajikistan on 28 February 2026. Details of this event are set out in the Company's announcement dated 23 June 2026.

FIVE YEARS FINANCIAL SUMMARY

The consolidated statements of comprehensive income of the Group for the financial years 2022 to 2026 and the consolidated statements of financial position of the Group as at 31 March 2022, 2023, 2024, 2025 and 2026 are as follows:

	Year ended 31 March				
	2026	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Result					
Revenue	**1,536,992**	1,695,507	1,366,367	1,494,459	1,637,443
Profit before income tax	**458,528**	446,408	331,057	194,055	244,097
Income tax expense	**(101,959)**	(121,031)	(75,036)	(39,449)	(35,577)
Profit for the year	**356,569**	325,377	256,021	154,606	208,520

	As at 31 March				
	2026	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets and liabilities					
Total assets	**5,954,622**	4,603,412	3,926,501	4,166,048	3,294,391
Total liabilities	**(3,536,772)**	(2,427,924)	(2,234,815)	(2,520,235)	(1,857,792)
Total equity	**2,417,850**	2,175,488	1,691,686	1,645,813	1,436,599