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中國白銀集團
CHINA SILVER GROUP

CHINA SILVER GROUP LIMITED
中國白銀集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 815)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS OF 2026 INTERIM RESULTS

The Group's revenue for 1H2026 was approximately RMB508.7 million (1H2025: RMB2,093.4 million), representing a decrease of approximately 75.7% from that of 1H2025.

The Group recorded a net loss attributable to owners of the Company of approximately RMB24.1 million for 1H2026, as compared to a net profit attributable to owners of the Company of approximately RMB54.9 million for 1H2025.

Excluding the impact of the share-based payment expenses of approximately RMB56.8 million (1H2025: Nil) and loss on deemed disposal of an associate of approximately RMB38.9 million (1H2025: Nil) as disclosed below, the Group would have recorded a net profit attributable to owners of the Company of approximately RMB71.6 million for 1H2026.

The turnaround from net profit for 1H2025 to net loss for 1H2026 is mainly attributable to the following factors:

(i) In respect of the Group's Manufacturing segment, the increase in silver prices coupled with a reduction in demand across various silver applications during 1H2026 led to a reduction in the Group's sales of silver ingots in 1H2026;

(ii) The Group recognised share-based payment expenses of approximately RMB56.8 million under the share award scheme adopted by the Company on 18 June 2025, leading to an increase of administrative expenses for 1H2026; and

(iii) The Group recorded a loss on deemed disposal of an associate of approximately RMB38.9 million in 1H2026 arising from the dilution of the Group's equity interest in its associate, Mount Everest Gold Group Company Limited (stock code: 1815) ("**Everest Gold**"), following the placings of new shares by Everest Gold completed on 6 February 2026 and 13 March 2026.

The aforementioned factors were partially offset by the following factor:

(iv) In respect of the Group's Manufacturing segment, despite the reduction in the sales of silver ingots as disclosed above, the Group's gross profit increased by approximately RMB59.6 million, or 141.2%, from approximately RMB42.2 million in 1H2025 to approximately RMB101.8 million in 1H2026, and its gross profit margin increased from approximately 2.0% to approximately 20.0%, mainly because most of the silver ingots sold by this segment during the period were silver inventories of the Group with relatively low procurement costs.

The board of directors (individually, a "**Director**", or collectively, the "**Board**" or the "**Directors**") of China Silver Group Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**" or "**we**") for the six months ended 30 June 2026 ("**1H2026**", "**first half of the year**", "**the period**", "**current period**", "**current interim period**", "**reporting period**" or "**Reporting Period**") together with the comparative figures for the corresponding period in 2025 ("**1H2025**"). The results for the current interim period have been reviewed by the audit committee of the Company (the "**Audit Committee**") with no disagreement.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
			(Restated)
Continuing operation			
Revenue	*4*	**508,676**	2,093,384
Cost of sales		**(406,873)**	(2,051,179)
Gross profit		**101,803**	42,205
Other income, net		**2,827**	806
Other gains, net		**1,511**	2,028
Selling and distribution expenses		**(338)**	(1,617)
Administrative expenses		**(64,134)**	(7,633)
Research and development expenses		**(274)**	(378)
Finance costs		**(3,683)**	(5,907)
Loss on deemed disposal of an associate	*10*	**(38,906)**	–
Share of loss of associates	*10*	**(22,843)**	–
(Loss) profit before income tax		**(24,037)**	29,504
Income tax expense	*5*	**(89)**	(92)
(Loss) profit for the period from continuing operation	*6*	**(24,126)**	29,412
Discontinued operations			
Profit for the period from discontinued operations	*12*	**–**	33,393
Gain on disposal of subsidiaries	*12*	**–**	11,465
		–	44,858
(Loss) profit and total comprehensive (expense) income for the period		**(24,126)**	74,270

	Note	Six months ended 30 June **2026** *RMB'000* **(unaudited)**	2025 *RMB'000* (unaudited) (Restated)
(Loss) profit and total comprehensive (expense) income for the period attributable to:			
Owners of the Company		**(24,126)**	54,911
Non-controlling interests		**–**	19,359
		(24,126)	74,270
(Loss) profit for the period attributable to owners of the Company arises from:			
Continuing operation		**(24,126)**	29,412
Discontinued operations		**–**	25,499
		(24,126)	54,911
		RMB	*RMB*
(Loss) earnings per share for (loss) profit attributable to owners of the Company	*8*		
Basic and diluted		**(0.008)**	0.024
(Loss) earnings per share for (loss) profit from continuing operation attributable to owners of the Company	*8*		
Basic and diluted		**(0.008)**	0.013

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**77,205**	81,560
Right-of-use assets	*9*	**14,529**	15,265
Intangible assets	*9*	**838**	1,019
Investments in associates	*10*	**1,044,002**	1,105,751
Deferred tax assets		**253**	342
		1,136,827	1,203,937
CURRENT ASSETS			
Inventories		**311,273**	184,768
Trade and other receivables	*11*	**5,845**	2,273
Amounts due from associates		**2,678**	–
Pledged bank deposits		**80,000**	239,500
Bank balances and cash		**605,976**	232,315
		1,005,772	658,856
CURRENT LIABILITIES			
Trade, bills and other payables	*13*	**160,520**	325,594
Amount due to the ultimate shareholder		**74,719**	74,719
Amounts due to associates		**11,130**	18,494
Lease liabilities – current portion		**27**	507
Deferred income		**714**	714
Income tax payable		**–**	116
Bank borrowings	*14*	**109,500**	110,000
		356,610	530,144
NET CURRENT ASSETS		**649,162**	128,712
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,785,989**	1,332,649

	30 June 2026 *RMB'000* (unaudited)	31 December 2025 *RMB'000* (audited)
CAPITAL AND RESERVES		
Share capital	**33,687**	25,373
Share premium and reserves	**1,752,903**	1,307,466
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY	**1,786,590**	1,332,839
Non-controlling interests	**(899)**	(899)
TOTAL EQUITY	**1,785,691**	1,331,940
NON-CURRENT LIABILITIES		
Lease liabilities – non-current portion	**–**	54
Deferred income	**298**	655
	298	709
TOTAL EQUITY AND NON-CURRENT LIABILITIES	**1,785,989**	1,332,649

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") "Interim Financial Reporting" issued by International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

On 31 December 2025, the Company's shareholding in Mount Everest Gold Group Company Limited ("**Everest Gold**") has been diluted from approximately 40.39% to approximately 39.70% upon completion of certain subscriptions of Everest Gold Group on 31 December 2025. This reduction in shareholding constitutes a deemed disposal of the Company's equity interest in Everest Gold and its subsidiaries (collectively "**Everest Gold Group**"). As a result, Everest Gold Group ceased to be subsidiaries of the Group and became associates. Its principal activities – the design and sale of gold, silver, colored gemstones, gem-set, and other jewellery products in the People's Republic of China (the "**PRC**") will no longer be classified as a revenue segment of the Group. The comparatives of the financial results for the period ended 30 June 2025 have been restated accordingly. Everest Gold, an exempted company incorporated in Cayman Islands with its shares also listed on the Stock Exchange.

2 MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Except for the adoption of the following amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity
Amendments to IFRS Accounting Standards	Disclosures about Uncertainties in the Financial Statements

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3 SEGMENT INFORMATION

The Group has one operating and reportable segment (2025: two segments). Management determines the operating segment based on information reported to the chief operating decision makers ("**CODM**") (i.e. the executive directors of the Company). The CODMs assess the operating performance and allocate the resources of the Group as a whole as the Group is primarily engaged in the business of manufacturing, sales and trading of silver ingots, palladium and other non-ferrous metals in the PRC ("**Manufacturing segment**"). Accordingly, there is only one operating and reportable segment.

The operations of New Jewellery Retail segment and Fresh Food Retail segment of the Group were discontinued and disposed during the year ended 31 December 2025. The segment information reported does not include any amounts for the discontinued operations, which are described in more details in Note 12.

Geographical information

The Group's operations are located in the PRC. All of the Group's revenue during the six months ended 30 June 2026 and 2025 was generated in the PRC.

4 REVENUE

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
		(Restated)
Continuing operation		
Sales of silver ingots	**508,676**	2,093,384

All of the revenue was recognised at a point in time during the six months ended 30 June 2026 and 2025.

5 INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
		(Restated)
Continuing operation		
PRC Enterprise Income Tax ("**EIT**")		
– current period	**–**	–
Deferred tax	**89**	92
	89	92

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

Under the Law of the PRC on EIT (the "**EIT Law**") and its related implementation regulations, the Group's PRC subsidiaries are subject to the PRC EIT at the statutory rate of 25% for both periods.

6 (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
		(Restated)
Continuing operation		
(Loss) profit for the period has been arrived at after charging (crediting):		
Cost of inventories recognised as expenses (included in cost of sales)	**406,873**	2,051,179
Depreciation of property, plant and equipment	**4,780**	5,095
Depreciation of right-of-use assets	**514**	550
Amortisation of intangible assets	**181**	181
Bank interest income	**(1,383)**	(84)
Net exchange gain	**(1,511)**	(2,028)
Share-based payment expenses	**56,778**	–
Gain on early termination of lease	**(30)**	–

7 DIVIDEND

No dividend was paid, declared or proposed for the ordinary shareholders of the Company during the current interim period (six months ended 30 June 2025: nil). The directors of the Company have determined that no dividend will be paid in the current interim period.

8 (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
		(Restated)
(Loss) profit (RMB'000)		
(Loss) profit for the period attributable to the owners of the Company from continuing operation for the purposes of basic and diluted (loss) earnings per share	**(24,126)**	29,412
Profit for the period attributable to the owners of the Company from discontinued operations for the purposes of basic and diluted earnings per share	**–**	25,499
(Loss) profit for the period attributable to the owners of the Company for the purposes of basic and diluted (loss) earnings per share	**(24,126)**	54,911
Number of shares (in thousand)		
Weighted average number of ordinary shares in issue for the purposes of basic and diluted (loss) earnings per share	**2,858,231**	2,284,240
Basic and diluted (loss) earnings per share (RMB)		
From continuing operation attributable to the owner of the Company	**(0.008)**	0.013
From discontinued operations	**–**	0.011
Total basic and diluted (loss) earnings per share attributable to the owner of the Company	**(0.008)**	0.024

During the year ended 31 December 2025, the Company issued 234,212,000 ordinary shares to the trust for the purposes of the share award scheme. These shares were treated as treasury shares and excluded from the weighted average number of ordinary shares outstanding for the period ended 30 June 2026.

As the Group incurred loss for the six months ended 30 June 2026, the deemed issue of ordinary shares on exercise of share awards was not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share is the same as basic loss per share. No share awards were granted during the six months ended 30 June 2025.

For the six months ended 30 June 2025, the computation of diluted earnings per share does not assume the exercise of the Company's outstanding options because the effect of exercise of these options was anti-dilutive. All of the Company's outstanding share options lapsed during the year ended 31 December 2025.

9 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS/ INTANGIBLE ASSETS

During the current interim period, the Group acquired leasehold improvements of approximately RMB425,000 for the Group's office headquarters (six months ended 30 June 2025: the Group acquired a motor vehicle of approximately RMB1,133,000 for operational use and leasehold land and buildings (through acquisition of subsidiaries) amounting to approximately RMB79,895,000 for use as office to support the Group's future business development).

The Group did not dispose/write off any property, plant and equipment during the current interim period (six months ended 30 June 2025: the Group wrote off certain leasehold improvements with a carrying amount of approximately RMB2,710,000 following the termination of the related lease).

During the current interim period, the Group did not enter into any new lease agreements (six months ended 30 June 2025: the Group entered into one new lease agreement for the staff quarter for 2 years. On the lease commencement, the Group recognised approximately RMB614,000 of right-of-use assets and approximately RMB614,000 of lease liabilities).

During the current interim period, the Group terminated a lease agreement for the staff quarter. On the lease termination, the Group derecognised approximately RMB222,000 right-of-use assets and approximately RMB252,000 of lease liabilities respectively. A gain of approximately RMB30,000 was recognised on lease termination and included in other income (six months ended 30 June 2025: nil).

During the current interim period, the Group did not acquire any intangible assets (six months ended 30 June 2025: the Group acquired intangible assets comprising the acquisition of patents amounting to approximately RMB20,000 and the capitalisation of exploration rights of approximately RMB5,531,000).

The Group did not dispose of any intangible assets during the six months ended 30 June 2026 and 2025.

10 INVESTMENTS IN ASSOCIATES

	30 June 2026 *RMB'000* (unaudited)	31 December 2025 *RMB'000* (audited)
Cost of investments	**1,105,751**	1,105,751
Share of post-acquisition results	**(22,843)**	–
Loss on deemed disposal	**(38,906)**	–
	1,044,002	1,105,751

During the period ended 30 June 2026, Everest Gold issued shares to new subscribers. As a result, the Company's shareholding in Everest Gold has been diluted from approximately 39.70% to approximately 36.10%. Accordingly, a loss on deemed disposal of an associate of approximately RMB38,906,000 was recognised in profit or loss during the period ended 30 June 2026.

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

Name of entities	Place of incorporation/ establishment	Place of operation	Proportion of ownership interest held by the Group		Principal activities
			30 June 2026 (unaudited)	31 December 2025 (audited)	
Everest Gold Group	The Cayman Islands	The PRC	**36.10%**	39.70%	Design and sale of gold, silver, colored gemstones, gem-set, and other jewellery products
江西藝鼎貿易有限公司 Jiangxi Yiding Trading Company Limited* ("**Jiangxi Yiding**")	The PRC	The PRC	**20.00%**	20.00%	Investment holding
西藏日喀則市華冶礦業開發有限責任公司 Xizang Shigatse Huaye Mining Development Company Limited* ("**Xizang Shigatse**")	The PRC	The PRC	**20.00%**	20.00%	Non-ferrous Metal Mining non-ferrous metals for processing and sales

* *The English name is for identification only.*

11 TRADE AND OTHER RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables for contracts with customers *(Note)*	**–**	–
Other receivables, deposits and prepayments	**1,514**	1,844
Value-added tax ("**VAT**") recoverable	**4,234**	273
Refundable rental deposits	**97**	156
	5,845	2,273

Note:

The Group generally requires advance payment from its manufacturing customers before delivery of goods. As a result, no outstanding trade receivables arise from the manufacturing operation as at 30 June 2026 and 31 December 2025.

12 DISCONTINUED OPERATIONS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
		(Restated)
Profit for the period from Everest Gold Group *(Note 12(i))*	**–**	33,393
Gain on disposal of Nongmuren Group *(Note 12(ii))*	**–**	11,465
Profit for the period from discontinued operations	**–**	44,858

(i) Deemed disposal of Everest Gold Group

After considered the change in the Group's effective equity interest in Everest Gold Group as disclosed in Note 1, the directors of the Company considered the Group can no longer exercise control over Everest Gold Group since 31 December 2025. As the Everest Gold Group is mainly engaged in the design and sale of gold, silver, colored gemstones, gem-set, and other jewellery products, the directors of the Company considered the operation of the Everest Gold Group to be a discontinued operation. Details of the discontinued operation are set out below. Intra-group adjustment has been adjusted to the financial performance and cash flow information of the discontinued operation.

The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income have been restated to re-present the operation in the Everest Gold Group as a discontinued operation.

Financial performance and cash flow information

	Six months ended 30 June 2025 *RMB'000* (unaudited)
Revenue	236,328
Cost of sales	(136,495)
Gross profit	99,833
Other income, net	1,222
Other gains, net	213
Selling and distribution expenses	(10,326)
Administrative expenses	(33,774)
Reversal of impairment loss under expected credit loss model, net	1,577
Finance costs	(2,755)
Profit before income tax	55,990
Income tax expense	(22,597)
Profit for the period from discontinued operation	33,393
Profit and total comprehensive income for the period attributable to:	
Owners of the Company	34,308
Non-controlling interests	(915)
	33,393

	Six months ended 30 June 2025 *RMB'000* (unaudited)
Profit for the period from discontinued operation includes the following:	
Cost of inventories recognised as expenses (included in cost of sales)	136,495
Depreciation of property, plant and equipment	1,821
Depreciation of right-of-use assets	206
Bank interest income	(710)
Net exchange gain	(213)
Write off of leasehold improvements	2,710
Expenses on short-term leases in respect of office premises and retail shops	1,602
Share-based payment expenses	18,543
Cash flows from discontinued operation:	
Net cash inflows from operating activities	112,584
Net cash outflows from investing activities	(10,165)
Net cash inflows from financing activities	3
Net increase in cash and cash equivalent in the discontinued operation	102,422

(ii) Disposal of Nongmuren Group

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

Following the disposal of Nongmuren Group, the Group discontinued its operation in sales of fresh food. There was no income or expenses recorded in relation to the fresh food retail segment for the period from 1 January 2025 to 13 January 2025.

* The English name is for identification only.

	RMB'000
Consideration received:	
Cash consideration	300

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

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

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

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

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

13 TRADE, BILLS AND OTHER PAYABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade payables	**1,261**	6,722
Other payables and accrued expenses	**47,739**	39,257
Bills payables *(Note)*	**110,000**	279,000
VAT and other tax payables	**1,520**	615
	160,520	325,594

Note:

As at 30 June 2026, bills payables amounting to RMB110,000,000 (31 December 2025: RMB279,000,000) are secured by pledged bank deposits of RMB80,000,000 (31 December 2025: RMB239,500,000). All bills payables are issued to suppliers of the Manufacturing segment.

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 to 30 days	**–**	6,722
31 to 60 days	**–**	–
61 to 90 days	**–**	–
Over 90 days	**1,261**	–
	1,261	6,722

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

14 BANK BORROWINGS

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Secured		
Bank borrowings at fixed rates *(Note)*	**63,500**	73,500
Bank borrowings at floating rates *(Note)*	**46,000**	36,500
	109,500	110,000
Carrying amount of bank borrowings that are repayable within one year and contain a repayment on demand clause	**49,500**	40,000
Carrying amount of bank borrowings that are repayable within one year and without a repayment on demand clause	**60,000**	70,000
Total amounts shown under current liabilities	**109,500**	110,000

The total banking facilities granted to the Group amounted to RMB113,000,000 (31 December 2025: RMB142,000,000) of which RMB109,500,000 (31 December 2025: RMB110,000,000) were utilised.

Note:

As at 30 June 2026, bank borrowings are secured and/or guaranteed by (i) leasehold land and building with aggregate carrying amount of RMB14,503,000 and RMB41,506,000 respectively; (ii) personal guarantee from a director of the Company, Mr. Chen Wantian and his spouse; (iii) corporate guarantee and certain assets of a supplier and independent third parties and (iv) personal guarantee from directors of subsidiaries (31 December 2025: (i) leasehold land and building with aggregate carrying amount of RMB14,721,000 and RMB46,665,000 respectively; (ii) personal guarantee from a director of the Company, Mr. Chen Wantian and his spouse; (iii) corporate guarantee and certain assets of a supplier and independent third parties and (iv) personal guarantee from directors of subsidiaries).

Secured bank borrowings of RMB63,500,000 as at 30 June 2026 (31 December 2025: RMB73,500,000) carry interest at fixed rates, ranging from 4.20% to 4.60% (31 December 2025: from 4.20% to 5.61%) per annum and RMB46,000,000 (31 December 2025: RMB36,500,000) carry interest at loan prime rate plus 1.80% (31 December 2025: plus from 0.78% to 1.70%) per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2026, the precious metals market continued its dramatic price surge, extending the robust bull run established in 2025 to historically high levels. However, this steep escalation in prices exerted noticeable price resistance across the supply chain. Confronted with record-high valuations, both retail consumers and institutional investors increasingly adopted a cautious, "wait-and-see" posture, which temporarily suppressed physical transaction volumes and led to a broader softening in market demand.

Notwithstanding the contraction in overall market demand, the Group responded with operational agility by dynamically adjusting its inventory management and commercial strategies. Capitalising on the elevated price environment, the Group accelerated the disposition of its inventory accumulated at comparatively lower costs in prior periods. By systematically liquidating these lower-cost holdings at peak market valuations, the Group successfully maximised gross profit margins, unlocked significant liquidity, and secured fruitful financial returns for the period.

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

For 1H2026, the Group focused on its Manufacturing segment, i.e. manufacturing, sales and trading of silver ingots, palladium and other non-ferrous metals in the People's Republic of China (the "**PRC**").

The Group's revenue for 1H2026 was approximately RMB508.7 million (1H2025: RMB2,093.4 million), representing a decrease of approximately 75.7% from that of 1H2025.

The Group recorded a net loss attributable to owners of the Company of approximately RMB24.1 million for 1H2026, as compared to a net profit attributable to owners of the Company of approximately RMB54.9 million for 1H2025.

Excluding the impact of the share-based payment expenses of approximately RMB56.8 million (1H2025: Nil) and loss on deemed disposal of an associate of approximately RMB38.9 million (1H2025: Nil) as disclosed below, the Group would have recorded a net profit attributable to owners of the Company of approximately RMB71.6 million for 1H2026.

The turnaround from net profit for 1H2025 to net loss for 1H2026 is mainly attributable to the following factors:

(i) In respect of the Group's Manufacturing segment, the increase in silver prices coupled with a reduction in demand across various silver applications during 1H2026 led to a reduction in the Group's sales of silver ingots in 1H2026;

(ii) The Group recognised share-based payment expenses of approximately RMB56.8 million under the share award scheme adopted by the Company on 18 June 2025, leading to an increase of administrative expenses for 1H2026; and

(iii) The Group recorded a loss on deemed disposal of an associate of approximately RMB38.9 million in 1H2026 arising from the dilution of the Group's equity interest in its associate, Mount Everest Gold Group Company Limited (stock code: 1815) ("**Everest Gold**"), following the placings of new shares by Everest Gold completed on 6 February 2026 and 13 March 2026.

The aforementioned factors were partially offset by the following factor:

(iv) In respect of the Group's Manufacturing segment, despite the reduction in the sales of silver ingots as disclosed above, the Group's gross profit increased by approximately RMB59.6 million, or 141.2%, from approximately RMB42.2 million in 1H2025 to approximately RMB101.8 million in 1H2026, and its gross profit margin increased from approximately 2.0% to approximately 20.0%, mainly because most of the silver ingots sold by this segment during the period were silver inventories of the Group with relatively low procurement costs.

Manufacturing Business

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

During 1H2026, the Group recorded sales of approximately RMB508.7 million, representing a decrease of approximately RMB1,584.7 million or 75.7% as compared to approximately RMB2,093.4 million for 1H2025. Such decrease was primarily attributable to the rapid surge in silver prices during 1H2026, which substantially suppressed downstream demand or prompted market participants to adopt a cautious "wait-and-see" stance.

Notwithstanding the sharp contraction in demand, the gross profit of the manufacturing business increased significantly by approximately RMB59.6 million or 141.2%, from approximately RMB42.2 million for 1H2025 to approximately RMB101.8 million for 1H2026. Such increase in gross profit was mainly driven by the Group's sales of its silver inventories with relatively low procurement costs at elevated price levels, successfully locking in lucrative profit margins.

Development of Exploration Business

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

Lhoka Mine – Gudui Area

On 21 August 2024, the Group completed acquisition of 51% equity interest in Jiangxi Letong New Materials Co., Ltd. ("**Jiangxi Letong**") which holds 100% equity interests in Tibet Longtianyong Mining Company Limited ("**Tibet Longtianyong**"). Tibet Longtianyong holds an exploration license with the right to conduct general exploration on mineral resources in an area of 28.88 km^2 in Lhoka, Tibet, China (the "**Lhoka Exploration Area**").

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

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

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

Shigatse Mine – Xiaqiu Area

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

As further disclosed in the Company's announcement dated 5 August 2026, approximately six drilling rigs had been deployed in the Xiaqiu Area. Preliminary exploration work identified indications of copper, lead, zinc, silver and molybdenum mineralisation. When considered with the aeromagnetic survey and mapping data, the observations were consistent with a possible composite porphyry-skarn-hydrothermal-vein polymetallic mineralisation system, although further exploration is required to establish its existence, extent and continuity.

Prospects

Global macroeconomic uncertainty is expected to persist. Ongoing geopolitical conflicts and divergent monetary policy directions among major economies may exacerbate market volatility. In this environment, the demand for gold, silver and other traditional safe-haven assets, as well as for industrial applications, is expected to continue to grow. In particular, the silver market has experienced a structural supply shortage for consecutive years, characterized by sluggish global silver production growth alongside the continuous expansion of industrial demand (including photovoltaics, 5G, and new energy vehicles). This supply-demand imbalance has provided strong support for silver prices and established a strong market foundation for the Group's core manufacturing business.

By holding Everest Gold Group as an associate, the Group maintained its focus and participation in the fields of gold, jewellery and exploration of mineral resources, achieving business structure optimisation and improving efficiency in resource allocation.

The Group will continue to carry out follow-up general surveys and exploration work, and closely monitor changes in geological data and the macro environment. As part of the Group's integration of the upstream supply chain, the project is expected to enhance the Group's ability to ensure stable raw material prices.

The Group remains committed to consolidating its leading position in the precious metals manufacturing industry while actively exploring strategic opportunities within and beyond its core businesses. Against the macroeconomic backdrop of a bull market in precious metals, management is confident in continuously optimizing the Group's business structure, orderly advancing its upstream resource deployment, and creating sustainable long-term value for shareholders.

FINANCIAL REVIEW

Continuing operation

Revenue

The revenue of the Group for 1H2026 was approximately RMB508.7 million (1H2025: RMB2,093.4 million), representing a decrease of approximately 75.7% from that of 1H2025. All revenue during the period was contributed by the sales of silver ingots.

Cost of Sales

Our cost of sales mainly comprised of the cost of raw materials consumed, purchase cost of silver, direct labor costs and manufacturing overhead in the manufacturing process. Cost of raw materials consumed and purchase cost of silver accounted for over 90% of cost of sales. The purchase cost of raw materials is determined by the content levels of silver at market prices at the time of purchase.

During 1H2026, the Group recorded cost of sales of approximately RMB406.9 million (1H2025: RMB2,051.2 million), representing a decrease of approximately 80.2%. The decline in cost of sales was primarily attributable to the decrease in sales.

Gross Profit and Gross Profit Margin

The Group recorded gross profit of approximately RMB101.8 million for 1H2026 (1H2025: RMB42.2 million), representing a significant increase of approximately RMB59.6 million or 141.2% as compared to that for 1H2025, and the overall gross profit margin increased from approximately 2.0% for 1H2025 to approximately 20.0% for 1H2026. The increase in the overall gross profit and gross profit margin were mainly due to the rapid surge in silver prices during 1H2026 and the Group's sales of its lower-cost historical silver inventory at elevated market prices.

Selling and Distribution Expenses

Selling and distribution expenses decreased by approximately 79.1% from approximately RMB1.6 million for 1H2025 to approximately RMB0.3 million for 1H2026, which was in line with the decrease in sales.

Administrative Expenses

Administrative expenses increased by approximately 740.2% from approximately RMB7.6 million for 1H2025 to approximately RMB64.1 million for 1H2026. The increase was primarily due to the share-based payment expenses of approximately RMB56.8 million incurred during the period.

Loss on Deemed Disposal of an Associate

The amount represented the loss arising from the deemed disposal of the Group's interest in its associate, Everest Gold Group, following Everest Gold's issue of new shares under its general mandate during the period. Following such issue of new shares by Everest Gold Group, the Group's shareholding in Everest Gold Group was diluted from approximately 39.7% to 36.1%, resulting in a deemed disposal. The loss arising from such deemed disposal amounted to approximately RMB38.9 million.

Income Tax Expense

Income tax expense slightly decreased from approximately RMB92,000 for 1H2025 to approximately RMB89,000 for 1H2026.

Loss/Profit Attributable to the Owners of the Company from continuing operation

Overall, the loss attributable to owners of the Company from continuing operation amounted to approximately RMB24.1 million for 1H2026, as compared with a profit of approximately RMB29.4 million for 1H2025. The turnaround from profit to loss was mainly attributable to the loss on deemed disposal of an associate of approximately RMB38.9 million and the expenses incurred for the share award scheme of approximately RMB56.8 million.

Excluding such loss on deemed disposal and expenses in relation to share award scheme above, the Group would have recorded a profit attributable to owners of the Company from continuing operation of approximately RMB71.6 million, representing an increase of approximately RMB42.2 million, or approximately 143.3%, as compared with the corresponding period last year.

Share of Loss of Associates

The Group recorded a share of loss of associates of approximately RMB22.8 million for 1H2026. The loss was mainly from share of the results of Everest Gold Group. No comparable figure was recorded for 1H2025 as Everest Gold Group was a subsidiary of the Company prior to its deconsolidation on 31 December 2025.

Discontinued Operation

The Company completed the deemed disposal of Everest Gold Group on 31 December 2025, as disclosed in the Company's announcement dated 31 December 2025. Upon completion of the deemed disposal, Everest Gold Group ceased to be a subsidiary of the Company and became an associate of the Group. Accordingly, the Group ceased to consolidate the financial results of Everest Gold Group and recognised its retained interest in Everest Gold Group as an investment in an associate at fair value. As a result, the comparative figures for 1H2025 have been restated to present the results of Everest Gold Group as a discontinued operation.

Inventories, Trade Receivables and Trade Payables Turnover Cycle

The Group's inventories mainly comprise silver bars. Inventory turnover days from the continuing operation, i.e. manufacturing segment, increased from approximately 19.7 days for 1H2025 to approximately 112 days for 1H2026. This increase was mainly attributable to the higher average inventory balance of silver bars during 1H2026, coupled with a slower turnover of silver inventories amid the significant increase in silver prices and more cautious market sentiment during the period.

The trade payables turnover days for 1H2026 were approximately 2 days (1H2025: 2 days). The short turnover period was mainly attributable to the business nature of raw material procurement in the precious metals industry, where payments to suppliers are generally settled on a prompt, short-term, or cash-on-delivery basis.

Due to the business nature of precious metals manufacturing and trading, the Group did not record any trade receivables during 1H2025 and 1H2026. Accordingly, trade receivables turnover days were not applicable for both periods.

Bank Borrowings

As of 30 June 2026, the Group's bank borrowings balance amounted to approximately RMB109.5 million (as of 31 December 2025: RMB110 million). The amounts are secured and/or guaranteed by: (i) certain assets of the Company; (ii) personal guarantee from a director of the Company, Mr. Chen Wantian and his spouse; (iii) corporate guarantee and certain assets of a supplier and independent third parties and (iv) personal guarantee from directors of subsidiaries; and are repayable within one year.

As of 30 June 2026, RMB63.5 million and RMB46.0 million was carried at fixed and floating interest rates respectively (As of 31 December 2025: RMB73.5 million and RMB36.5 million carried at fixed interest rate and floating interest rate respectively).

The Group's net gearing ratio was calculated on the basis of total bank borrowings less bank balances and cash as a percentage of total equity. As of 30 June 2026, the Group was in a net cash position with a net gearing ratio of approximately -27.8% (as of 31 December 2025: -9.2%).

Pledge of Assets

At the end of the reporting period, assets with the following carrying amounts were pledged to secure general bank borrowings.

	30 June 2026 *RMB'000* **(unaudited)**	31 December 2025 *RMB'000* (audited)
– Property, plant and equipment	**41,506**	46,665
– Leasehold land (included in right-of-use assets)	**14,503**	14,721
– Pledged bank deposits	**80,000**	239,500
	136,009	300,886

Foreign Exchange Risk

Almost all of the Group's assets, liabilities, revenues, costs and expenses were denominated in RMB. As a result, the management believes that foreign exchange exposure of the Group is minimal and confirms no foreign exchange hedging arrangement has been made.

Capital Expenditures

For 1H2026, the Group invested approximately RMB0.4 million in property, plant and equipment (1H2025: RMB81.0 million).

These expenditures have been funded by internal financial resources, including existing cash and surplus from operations, as well as bank borrowings.

Capital Commitments

As at 30 June 2026, the Group did not have any material capital commitments (as of 31 December 2025: Nil).

Contingent Liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities. As of 31 December 2025, Jiangxi Longtianyong Nonferrous Metals Co., Ltd* (江西龍天勇有色金屬有限公司), a wholly-owned subsidiary of the Group, provided a corporate guarantee of approximately RMB80.0 million to Jiangxi Jiyin Company Limited* (江西吉銀實業有限公司) ("**Jiangxi Jiyin**"), a wholly-owned subsidiary of Everest Gold Group in support of a bank borrowing.

Employees

As of 30 June 2026, the Group employed 55 staff members (as of 31 December 2025: 57 staff members) and the total remuneration for 1H2026 amounted to approximately RMB3.1 million (1H2025: RMB3.4 million). The Group's remuneration packages are in line with the current legislation in the relevant jurisdictions, the experience and qualifications of individual employees and the general market conditions. Bonuses are linked to the Group's financial results as well as to individual performances. The Group ensures that adequate training and professional development opportunities are provided to all employees so as to satisfy their career development needs.

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

Liquidity and Financial Resources

The Group maintained a healthy liquidity position during 1H2026. During 1H2026, the Group was principally financed by internal resources, bank borrowings and proceeds from the 2025 Subscription and 2026 Subscription. During 1H2026, the Group's principal financing instruments comprised bank balances and cash, pledged bank deposits, other receivables, trade, bills and other payables, and bank borrowings. As of 30 June 2026, the bank balances and cash, net current assets, and total assets less current liabilities were approximately RMB606.0 million (as of 31 December 2025: RMB232.3 million), RMB649.2 million (as of 31 December 2025: RMB128.7 million) and RMB1,786.0 million (as of 31 December 2025: RMB1,332.6 million), respectively.

Interim Dividend

The Board has resolved not to declare an interim dividend for 1H2026 (1H2025: Nil).

Significant Investment Held, Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures, and Plans for Significant Investment or Acquisition of Capital Assets in the Future

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

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

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

Save as disclosed above, the Group did not hold any significant investment nor carry out any material acquisition and disposal of subsidiaries, associates or joint ventures during the Reporting Period, nor was there any future plan for other material investment or capital assets as at 30 June 2026.

Fundraising Activities and Use of Proceeds

2025 Subscription

As disclosed in the Company's announcement dated 14 July 2025, the Company entered into eight subscription agreements with eight independent investors on 14 July 2025, pursuant to which the Company agreed to allot and issue, and the respective subscribers agreed to subscribe for, an aggregate of 460,000,000 ordinary shares at a subscription price of HK$0.45 per share under the general mandate (the "**2025 Subscription**"). The 2025 Subscription raised gross proceeds of approximately HK$207.0 million, with net proceeds of approximately HK$206.5 million after deduction of all relevant expenses. The Company undertook the 2025 Subscription to raise additional capital to support the Group's business development, including the procurement of inventory materials for its manufacturing segment, funding capital expenditure for exploration and mining-related activities, and strengthening the Group's general working capital position. The subscription shares have an aggregate nominal value of HK$4,600,000. The subscription price of HK$0.45 per share represents a discount of approximately 19.64% to the closing price of HK$0.56 per share as quoted on the Stock Exchange on 14 July 2025, being the date on which the terms of the 2025 Subscription were fixed. The net subscription price, after deduction of all relevant expenses, was approximately HK$0.449 per share. The subscribers comprise eight independent investors, including professional corporate and/or individual private investors.

Partial completions of the 2025 Subscription took place on 17 September, 7 November and 19 December 2025, as disclosed in the Company's announcements of the same dates. As further disclosed in the Company's announcement dated 22 January 2026, the allotment and issue of all subscription shares in relation to the 2025 Subscription have been completed on 22 January 2026.

The net proceeds have been applied and the unutilised net proceeds will continue to be applied in a manner consistent with the intended use of proceeds as follows and are expected to be fully utilised by the end of 2027.

	Intended use of proceeds	Unutilised amount as at 31 December 2025	Net proceeds received during the six months ended 30 June 2026	Amount utilised during the six months ended 30 June 2026	Unutilised amount as at 30 June 2026
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Procurement of raw materials	60%	–	14,814	(14,814)	–
Capital expenditure expected to be incurred from conducting general exploration and other exploration works on the Xizang Shigatse mine and other potential mining opportunities	20%	36,362	4,938	(3,000)	38,300
General working capital	20%	31,638	4,938	(11,726)	24,850
Total	100%	68,000	24,690	(29,540)	63,150

2026 Subscription

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

Completions of the 2026 Subscription took place on 5 May and 22 June 2026, as disclosed in the Company's announcements of the same dates. All subscriptions under the 2026 Subscription were therefore completed before 30 June 2026. The total net proceeds from such 2026 Subscription, after deduction of all relevant expenses, were approximately HK$463.3 million.

The net proceeds have been applied and the unutilised net proceeds will continue to be applied in a manner consistent with the intended use of proceeds as follows and are expected to be fully utilised by the end of 2027.

None of the net proceeds from the 2026 Subscription had been utilised as at 30 June 2026. The unutilised net proceeds will be applied in a manner consistent with the intended use of proceeds as follows:

	Intended use of proceeds	Net proceeds received from the 2026 Subscription as at 30 June 2026	Amount utilised during the six months ended 30 June 2026	Unutilised amount as at 30 June 2026
		HK$'000	*HK$'000*	*HK$'000*
General exploration and other exploration works on the Shigatse Mine	40%	185,300	–	185,300
Further financing to Xizang Shigatse (being the project company for the Shigatse Mine)	40%	185,300	–	185,300
General working capital	20%	92,650	–	92,650
Total	100%	463,250	–	463,250

Significant Event After the Reporting Period

There were no material subsequent events after the reporting period.

OTHERS

Code of Corporate Governance Practice

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and responsibility. The Board comprises two executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Listing Rules. During 1H2026, the Company had complied with the code provisions under the CG Code, except for the following deviations:

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

Code of Conduct Regarding Directors' Securities and Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. Having made specific enquiry with all the Directors, all the Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code during 1H2026.

Purchase, Sale or Redemption of the Listed Securities of the Company

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any treasury shares (as defined under the Listing Rules)) during 1H2026. The Company did not hold any treasury shares (as defined under the Listing Rules) at 30 June 2026.

Audit Committee

The Audit Committee has reviewed the financial reporting processes, risk management and internal control systems and the unaudited condensed consolidated financial statements of the Group for 1H2026. The Audit Committee is of the opinion that these unaudited condensed consolidated financial statements had complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made.

Acknowledgement

Gratitude is expressed to the management and all of our staff for their hard work and dedication, as well as our shareholders and customers for their continuous support to the Group.

Publication of Interim Results Announcement and Interim Report

This announcement is published on the websites of the Company (www.chinasilver.hk) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The 2026 interim report of the Company will be dispatched to the shareholders of the Company who requested printed copies and made available on the same websites in due course.

By order of the Board
China Silver Group Limited
Chen Wantian
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the executive directors of the Company are Mr. Chen Wantian and Mr. Song Guosheng; and the independent non-executive directors of the Company are Mr. Song Hongbing, Dr. Zeng Yilong and Ms. Song Fangxiu.

* *For identification purpose only*