



中國白銀集團
CHINA SILVER GROUP

中國白銀集團有限公司

China Silver Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 815

INTERIM REPORT 2026

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



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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

AUDIT COMMITTEE

Zeng Yilong (Chairman)
Song Fangxiu
Song Hongbing

REMUNERATION COMMITTEE

Song Fangxiu (Chairlady)
Chen Wantian
Song Hongbing

NOMINATION COMMITTEE

Chen Wantian (Chairman)
Song Fangxiu
Song Hongbing

COMPANY SECRETARY

Chan Hon To (陳瀚濤), HKICPA FCCA

AUTHORISED REPRESENTATIVES

Chen Wantian
Chan Hon To

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG SHARE REGISTRAR

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

REGISTERED OFFICE

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

HEADQUARTERS IN THE PRC

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

COMPANY'S WEBSITE

www.chinasilver.hk

PLACE OF LISTING AND STOCK CODE

The Stock Exchange of Hong Kong Limited
815

PRINCIPAL BANKERS

Bank of Ganzhou
Agricultural Bank of China

AUDITOR

Linksfield CPA Limited
Registered Public Interest Entity Auditors

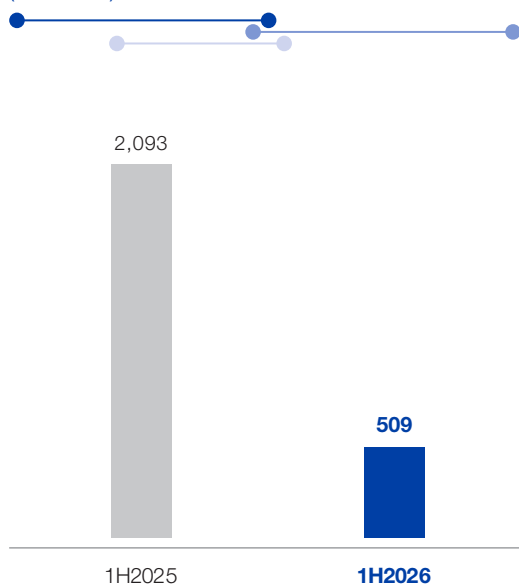
LEGAL ADVISORS

Hong Kong law:
Sullivan & Cromwell (Hong Kong) LLP

FINANCIAL HIGHLIGHTS

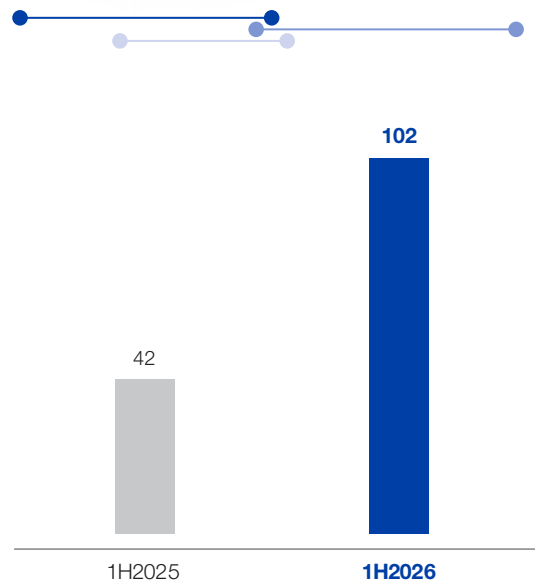
Revenue from continuing operation

(RMB million)



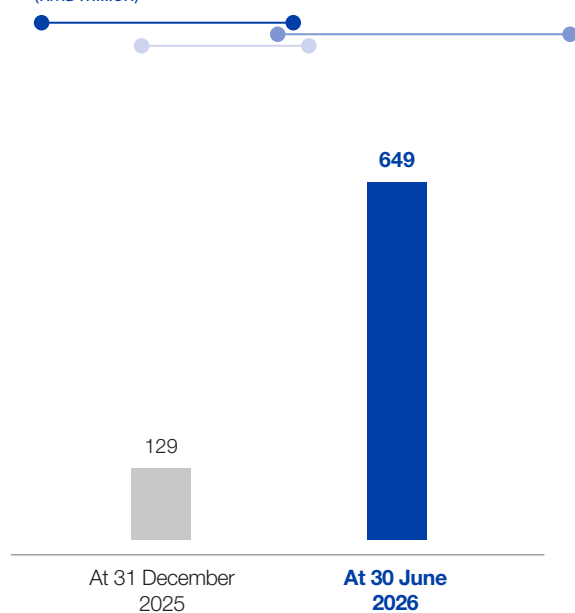
Gross profit

(RMB million)



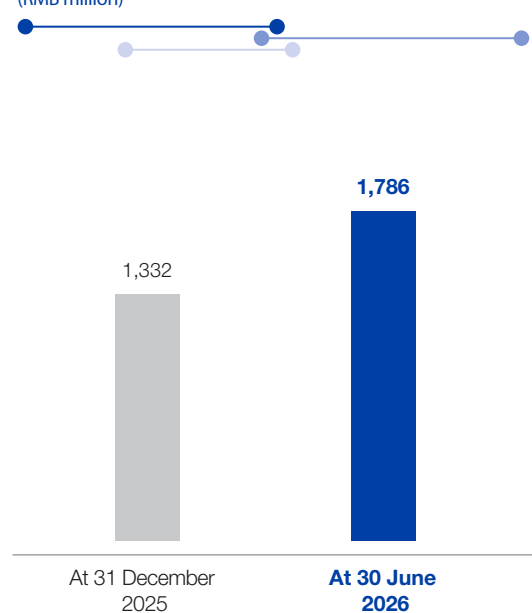
Net current assets

(RMB million)



Net assets

(RMB million)



OUR MILESTONES

DEC 2025

Deemed disposal of Everest Gold Group and the New Jewellery Retail segment operated thereunder, which became an associated company of the Group

2023

Disposed of Silver Exchange Business

AUG 2024

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

JAN 2025

Disposal of Fresh Food Retail segment

JUL 2025

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

2021

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

2019

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

MAR 2018

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

2002

Silver Manufacturing

2012

Listing in Hong Kong

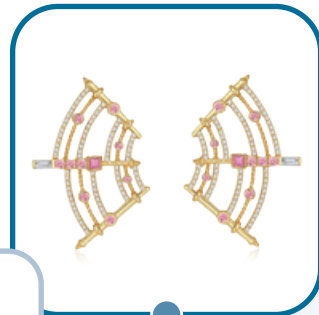
2014

Developed New Jewellery Retail Business

2016

Acquired Silver Exchange Business

SELECTED BRANDS AND PRODUCTS



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. The fair value of the equity interest retained in Everest Gold Group on the date when control was lost (i.e. 31 December 2025) amounting to approximately HK\$1,220.0 million (equivalent to approximately RMB1,103.9 million) was recognized as the deemed cost of investment in an associate. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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**”). At the time of the acquisition, Tibet Longtianyong held an exploration license with the right to conduct general exploration on mineral resources in an area of 28.88 km² 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. These preliminary estimates and projections remain subject to further exploration and assessment as the exploration programme progresses.

In March 2025, the Tibet Review Centre approved the Detailed Exploration Implementation Plan submitted by Tibet Longtianyong in respect of the polymetallic mine at the Lhoka Exploration Area. In December 2025, the exploration licence was successfully renewed, with its validity period extended to 16 July 2027, the exploration phase upgraded from “general exploration” to “detailed exploration”, and the licensed exploration area adjusted from 28.88 km² to 22.86 km². The approval of the Detailed Exploration Implementation Plan marked further progress in the exploration programme for the Lhoka Exploration Area. 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.

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.

MANAGEMENT DISCUSSION AND ANALYSIS



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 km² 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. Nonetheless, these regional geological characteristics do not establish the presence, scale, grade or economic viability of any mineral resources within the Xiaqiu Area, which remain subject to further exploration and assessment.

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.

MANAGEMENT DISCUSSION AND ANALYSIS



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 participate in and support 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.



MANAGEMENT DISCUSSION AND ANALYSIS

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 39.70% to 36.09%, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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. The fair value of the equity interest retained in Everest Gold Group on the date when control was lost (i.e. 31 December 2025) amounting to approximately HK\$1,220.0 million (equivalent to approximately RMB1,103.9 million) was recognized as the deemed cost of investment in an associate. As a result, the comparative figures for 1H2025 have been restated to present the results of Everest Gold Group as a discontinued operation.

MANAGEMENT DISCUSSION AND ANALYSIS

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 bills payables and 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

MANAGEMENT DISCUSSION AND ANALYSIS

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, excluding share-based payment expense 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 Group 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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%.

As at 30 June 2026, the Group held 500,000,033 shares in Everest Gold, representing approximately 36.09% of its issued share capital, and 20.00% equity interest in Jiangxi Yiding. The aggregate carrying amount of the Group's investments in associates as at 30 June 2026 was approximately RMB1,044.0 million, compared with an aggregate investment cost of approximately RMB1,105.8 million. During 1H2026, the Group recognised a share of loss of associates of approximately RMB22.8 million, which was mainly attributable to Everest Gold Group, and a loss on deemed disposal of an associate of approximately RMB38.9 million arising from the dilution of the Group's equity interest in Everest Gold. Through its retained interest in Everest Gold Group, the Group continues to maintain exposure to gold products and mining and to participate in gold, jewellery and mineral-resource exploration.

As at 30 June 2026, the Group held a significant investment in Everest Gold Group, representing an equity interest of 36.09%. Investment in Everest Gold Group has been accounted for as an investment in an associate using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. The fair value of the equity interest retained in Everest Gold Group on the date when control was lost (i.e. 31 December 2025) amounting to approximately HK\$1,220.0 million (equivalent to approximately RMB1,103.9 million) was recognized as the deemed cost of investment in an associate.

As at 30 June 2026, the carrying amount of the Group's investment in Everest Gold Group was approximately RMB1,042.2 million (31 December 2025: RMB1,103.9 million), represented approximately 48.64% of the Group's total assets as at 30 June 2026. The fair value of such investment as at 30 June 2026 was approximately HK\$305.0 million (equivalent to approximately RMB 263.8 million). The Group's investment strategy regarding Everest Gold Group focuses on long-term strategic synergy within the precious metals industry. By maintaining a significant associate interest, the Group continues to participate in the gold, jewellery, and upstream mineral exploration sectors – notably through the joint development of the Xizang Shigatse mine – without incurring full operational consolidation exposure.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 the respective investor 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 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 HK\$'000	Net proceeds received during the six months ended 30 June 2026 HK\$'000	Amount utilised during the six months ended 30 June 2026 HK\$'000	Unutilised amount as at 30 June 2026 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 (<i>Note</i>)	20%	31,638	4,938	(11,726)	24,850
Total	100%	68,000	24,690	(29,540)	63,150

Note: During the Reporting Period, the Group's immediate working-capital requirements were met using its available liquidity, including existing cash resources and other available funding. Accordingly, utilisation of the net proceeds allocated to general working capital was slower than originally expected. The expected timeline for full utilisation of the remaining proceeds has been revised from the end of the second quarter of 2026 to the end of 2026, subject to the Group's actual working-capital requirements. There has been no change in the intended use of such proceeds.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2026 Subscription raised gross proceeds of approximately HK\$464.1 million and net proceeds of approximately HK\$463.3 million after deduction of all relevant expenses.

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 and are expected to be fully utilised by the end of 2027.

	Intended use of proceeds	Net proceeds received from the 2026 Subscription as at 30 June 2026 HK\$'000	Amount utilised during the six months ended 30 June 2026 HK\$'000	Unutilised amount as at 30 June 2026 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As of 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(i) Interests in Shares of the Company

Name of Director	Capacity/Nature of interest	Number of Shares ¹	Approximate percentage of interest in our Company
Mr. Chen Wantian	Beneficiary of a trust ²	308,222,187	7.81%
	Beneficial interest ²	1,050,000	0.03%
Mr. Song Guosheng	Beneficial interest ³	456,797	0.01%

Notes:

- All interests are long positions.
- Mr. Chen Wantian is deemed to be interested in 308,222,187 Shares owned by Rich Union Enterprises Limited as his spouse, Ms. Zhou Peizhen, owns the entire issued share capital of Rich Union Enterprises Limited. The entire issued share capital of Rich Union Enterprises Limited has been transferred from Mr. Chen Wantian to his spouse, Ms. Zhou Peizhen, on 19 June 2023. Ms. Zhou Peizhen has declared that all such Shares are held in trust for the benefit of Mr. Chen Wantian. Further, Mr. Chen Wantian is the beneficial owner of 1,050,000 Shares.
- Mr. Song Guosheng is the beneficial owner of 456,797 Shares.

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

Name of Director	Capacity/Nature of interest	Number of Shares ¹	Approximate percentage of interest in Everest Gold
Mr. Chen Wantian	Beneficiary of a trust ²	36	0.00%
	Beneficial interest ²	17,764	0.00%

Notes:

- All interests are long positions.
- Mr. Chen Wantian is deemed to be interested in 36 shares of Everest Gold owned by Rich Union Enterprises Limited as his spouse, Ms. Zhou Peizhen, owns the entire issued share capital of Rich Union Enterprises Limited. The entire issued share capital of Rich Union Enterprises Limited has been transferred from Mr. Chen Wantian to his spouse, Ms. Zhou Peizhen, on 19 June 2023. Ms. Zhou Peizhen has declared that all such Shares are held in trust for the benefit of Mr. Chen Wantian. Further, Mr. Chen Wantian is the beneficial owner of 17,764 shares of Everest Gold.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as of 30 June 2026, none of the Directors and the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

So far as known to the Directors, the register of substantial shareholders required to be kept by our Company under Section 336 of Part XV of the SFO shows that as of 30 June 2026, in addition to the interests disclosed under the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, our Company was notified of the following substantial shareholders' interests and short positions in the Shares and underlying Shares, being interests of 5% or more.

Interests in Shares of the Company

Name of shareholder	Capacity/Nature of interest	Number of Shares ¹	Approximate percentage of interest in our Company
Ms. Zhou Peizhen (周佩珍)	Interest in controlled corporation ²	308,222,187	7.81%
	Interest of spouse ²	1,050,000	0.03%
Newline Dragon Limited	Trustee ³	234,212,000	5.93%

Notes:

- All interests are long positions.
- The entire issued share capital of Rich Union Enterprises Limited has been transferred from Mr. Chen Wantian to his spouse, Ms. Zhou Peizhen, on 19 June 2023. Ms. Zhou Peizhen has declared that all such Shares are held in trust for the benefit of Mr. Chen Wantian. Further, Mr. Chen Wantian is the beneficial owner of 1,050,000 Shares.
- These Shares are held by Newline Dragon Limited as the trustee for the grantees under the Share Award Scheme until the shares are vested in the relevant grantees.

Save as disclosed above, as of 30 June 2026, our Company had not been notified by any person or corporation who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by our Company under Section 336 of Part XV of the SFO.

SHARE AWARD SCHEMES

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Purpose

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

Eligible participants

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

Maximum entitlement of each participant

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

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

Vesting period

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

Consideration and purchase price

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

Maximum number of shares available for issue

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

As at 30 June 2026, the total number of shares available for future grant under the Share Award Scheme was 555, which is less than 0.01% of the Company's issued share capital as of the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Remaining life of the Share Award Scheme

The Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on the adoption date of 18 June 2025. As at the date of this report, the remaining life of the Share Award Scheme is approximately 8 years and 9 months.

Further details of the Share Award Scheme are set out in Note 20 Share Award Scheme in the Notes to the Condensed Consolidated Financial Statements of this report.

The number of Awarded Shares available for future grant under the existing Scheme Mandate Limit was 555 as at both 1 January 2026 and 30 June 2026.

The following table discloses movements of Company's Awarded Shares under the Share Award Scheme during the six months ended 30 June 2026:

Name/Category of grantees	Date of grant	Closing price immediately before the date of grant per share	Vesting period ⁽¹⁾	Purchase price ⁽²⁾	Outstanding (unvested) as at 1 January 2026	Granted during the period	Vested during the period	Cancelled during the period ⁽⁴⁾	Lapsed during the period ⁽⁴⁾	Outstanding (unvested) as at 30 June 2026
Mr. Chen Wanquan*										
(associate of an executive Director)	30 September 2025	HK\$0.51	12 months	Nil	2,330,000	-	-	-	-	2,330,000
Other employee participants										
(i.e., 10 grantees)	30 September 2025	HK\$0.51	12 months	Nil	231,882,000	-	-	-	-	231,882,000
Total ⁽³⁾					234,212,000	-	-	-	-	234,212,000

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

Notes:

- (1) All Awarded Shares are held by the trustee of the Share Award Scheme, Newline Dragon Limited, for the grantees until such Awarded Shares are vested in the relevant grantees in accordance with the terms of the Share Award Scheme and the trust deed. All Awarded Shares will be vested on the first anniversary of the date of grant. No Awarded Share was vested during the six months ended 30 June 2026.
- (2) The purchase price of the Awarded Shares was nil. An acceptance consideration of HK\$1.00 shall be paid by each Grantee upon acceptance of the Awarded Shares granted, within 28 days from the date of grant. No performance target is set for the Awarded Shares.
- (3) The estimated fair value of the Awarded Shares granted on 30 September 2025 was approximately HK\$124,132,360, calculated based on the number of Awarded Shares multiplied by the closing price per share on the date of grant.
- (4) No Awarded Shares were lapsed or cancelled during the six months ended 30 June 2026.
- (5) Since no Awarded Shares were granted under the Share Award Scheme during the Reporting Period, the number of Shares that may be issued in respect of the awards granted under all schemes during the Reporting Period divided by the weighted average number of Shares in issue for the period was nil.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 of the then overall circumstances of the Group.

Mr. Chen Wantian has been leading the Group for many years since he joined the Group in 2012. He has been the driving force behind the Group’s development, growth and expansion and is primarily responsible for the overall management of the Group and for directing strategic developments and business plans of the Group. In light of the above, all of the Directors consider Mr. Chen Wantian to be the best candidate for both positions and that such arrangement is beneficial to and in the best interests of the Group and the shareholders of the Company as a whole.

MODEL CODE FOR 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDITOR

Linksfeld CPA Limited was appointed as auditor of the Company, with effect from 19 January 2023. There has been no other change in the auditor of the Company in any of the preceding three years.

AUDIT COMMITTEE

The Board established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. Under Rule 3.21 of the Listing Rules, a majority of the members of the Audit Committee should be independent non-executive directors and the audit committee should be chaired by an independent non-executive director. As at the date of this interim report, the Audit Committee comprises all three independent non-executive Directors namely, Dr. Zeng Yilong (Chairman), Ms. Song Fangxiu and Mr. Song Hongbing. The primary responsibilities of the Audit Committee are to review and supervise the financial reporting processes and risk management and internal control systems of the Group.

The Audit Committee has reviewed this interim report, including the unaudited condensed consolidated financial statements of the Group for 1H2026. The Audit Committee has also reviewed the Group’s financial reporting process and risk management and internal control systems. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards and the requirements of the Listing Rules and that adequate disclosure has been made.

NOMINATION COMMITTEE

The Board established a nomination committee (the “**Nomination Committee**”) with written terms of reference in compliance with the CG Code. Under Rule 3.27A of the Listing Rules, a majority of the members of the nomination committee should be independent non-executive directors and the nomination committee should be chaired by the chairman of the Board or an independent non-executive director. As at the date of this interim report, the Nomination Committee comprises Mr. Chen Wantian (Chairman), Ms. Song Fangxiu and Mr. Song Hongbing, with the latter two being independent non-executive Directors.

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

REMUNERATION COMMITTEE

The Board established a remuneration committee (the “**Remuneration Committee**”) with written terms of reference in compliance with the CG Code. Under Rule 3.25 of the Listing Rules, a majority of the members of the remuneration committee should be independent non-executive directors and the remuneration committee should be chaired by an independent non-executive director. As at the date of this interim report, the Remuneration Committee comprises Ms. Song Fangxiu (Chairlady), Mr. Chen Wantian and Mr. Song Hongbing, among whom Ms. Song Fangxiu and Mr. Song Hongbing are independent non-executive Directors.

The primary responsibilities of the Remuneration Committee are to make recommendations to the Board on the remuneration packages of the Directors and senior management personnel of the Group and to ensure that no Director or any of his associates is involved in deciding his own remuneration.

CORPORATE GOVERNANCE AND OTHER INFORMATION

APPENDIX D2 TO THE LISTING RULES

According to paragraph 40 of Appendix D2 to the Listing Rules headed “Disclosure of Financial Information”, save as disclosed in this interim report, the Company confirms that the Company’s current information in relation to those matters set out in paragraph 32 of Appendix D2 has not been changed significantly from the information disclosed in the Company’s 2025 annual report.

On behalf of the Board

Chen Wantian

Chairman

Hong Kong, 28 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June	
		2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited) (Restated)
Continuing operation			
Revenue	5	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	11	(38,906)	–
Share of loss of associates	11	(22,843)	–
(Loss) profit before income tax		(24,037)	29,504
Income tax expense	6	(89)	(92)
(Loss) profit for the period from continuing operation	7	(24,126)	29,412
Discontinued operations			
Profit for the period from discontinued operations	14	–	33,393
Gain on disposal of subsidiaries	14	–	11,465
		–	44,858
(Loss) profit and total comprehensive (expense) income for the period		(24,126)	74,270
(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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
	Notes	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited) (Restated)
(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
(Loss) earnings per share for (loss) profit attributable to owners of the Company			
Basic and diluted	9	RMB (0.008)	RMB 0.024
(Loss) earnings per share for (loss) profit from continuing operation attributable to owners of the Company			
Basic and diluted	9	(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	10	77,205	81,560
Right-of-use assets	10	14,529	15,265
Intangible assets	10	838	1,019
Investments in associates	11	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	12	5,845	2,273
Amounts due from associates	16	2,678	–
Pledged bank deposits	13	80,000	239,500
Bank balances and cash		605,976	232,315
		1,005,772	658,856
CURRENT LIABILITIES			
Trade, bills and other payables	15	160,520	325,594
Amount due to the ultimate shareholder	16	74,719	74,719
Amounts due to associates	16	11,130	18,494
Lease liabilities – current portion		27	507
Deferred income		714	714
Income tax payable		–	116
Bank borrowings	17	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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
CAPITAL AND RESERVES			
Share capital	18	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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company								Attributable to non-controlling interests		Total equity
	Share capital RMB'000	Share premium RMB'000	Share options reserve RMB'000	Share awards reserve RMB'000 (Note 20)	Capital reserve RMB'000 (Note i)	Statutory reserve RMB'000 (Note ii)	Exchange reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	RMB'000	RMB'000
At 1 January 2025 (audited)	15,935	1,255,434	67,871	-	129,731	214,637	(2,736)	(1,219,435)	461,437	756,911	1,218,348
Issuance of new shares (Note 18)	3,593	86,638	-	-	-	-	-	-	90,231	-	90,231
Recognition of equity-settled share based payments from Everest Gold (Note iii)	-	-	-	-	-	-	-	-	-	18,543	18,543
Lapse of share options	-	-	(25,449)	-	-	-	-	25,449	-	-	-
Disposal of discontinued operation (Note 14)	-	-	-	-	-	-	-	-	-	56,677	56,677
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	54,911	54,911	19,359	74,270
At 30 June 2025 (unaudited)	19,528	1,342,072	42,422	-	129,731	214,637	(2,736)	(1,139,075)	606,579	851,490	1,458,069
At 1 January 2026 (audited)	25,373	1,616,244	-	(85,167)	32,158	188,403	(2,744)	(441,428)	1,332,839	(899)	1,331,940
Issuance of new shares (Note 18)	8,314	412,785	-	-	-	-	-	-	421,099	-	421,099
Share-based payment expenses recognised	-	-	-	56,778	-	-	-	-	56,778	-	56,778
Loss and total comprehensive expense for the period	-	-	-	-	-	-	-	(24,126)	(24,126)	-	(24,126)
At 30 June 2026 (unaudited)	33,687	2,029,029	-	(28,389)	32,158	188,403	(2,744)	(465,554)	1,786,590	(899)	1,785,691

Notes:

- The capital reserve represents the sum of (a) approximately RMB31,486,000 being the excess of the consideration paid by an independent investor to acquire 10% interest in the Group over the par value of the share capital subscribed; (b) approximately RMB654,000 being the excess of the share capital of a subsidiary acquired by the Company over the nominal consideration of US\$1 paid, as part of the group reorganisation prior to the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 December 2012; and (c) approximately RMB18,000 being the difference between the increase in the non-controlling interests and the consideration received from the increase of partial interest in Yongfeng County Tongsheng Consulting Services Co., Ltd.* (永豐縣通盛顧問服務股份有限公司) ("Tongsheng") in 2017.
- According to the relevant laws of the People's Republic of China (the "PRC"), the Company's subsidiaries established in the PRC have to transfer a portion of their profits after income tax to the statutory reserve. The transfer to this reserve must be made before the distribution of a dividend to the equity owners. The transfer can cease when the balance of the reserve reaches 50% of the registered capital of the respective subsidiaries. The reserve can be applied either to set off accumulated losses or to increase capital.
- Mount Everest Gold Group Company Limited ("Everest Gold") has adopted a share option scheme on 27 March 2025 as incentive to eligible employee. 123,780,000 outstanding share options have been granted under the share option scheme during the period ended 30 June 2025.

* The English name is for identification purpose only.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited) (Restated)
Cash flows from operating activities		
(Loss) profit before income tax from:		
Continuing operation	(24,037)	29,504
Discontinued operations	–	67,455
(Loss) profit before income tax including discontinued operation	(24,037)	96,959
Adjustments for non-cash transactions	125,915	23,577
Operating cash flows before movements in working capital	101,878	120,536
(Increase) decrease in inventories	(126,505)	28,571
Increase in trade and other receivables	(3,572)	(36,120)
(Decrease) increase in trade, bills and other payables	(165,074)	1,680
Other working capital movements	–	(3,900)
Cash (used in) generated from operations	(193,273)	110,767
Income tax paid	(116)	(164)
Net cash (used in) generated from operating activities	(193,389)	110,603
Cash flows from investing activities		
Placement of pledged bank deposits	(60,000)	(19,500)
Withdrawal of pledged bank deposits	219,500	39,800
Purchase of property, plant and equipment	(425)	(1,191)
Additions on intangible assets	–	(5,551)
Interest income received	1,383	793
Advance to associates	(4,036)	–
Repayment from associates	1,358	–
Net cash inflows from acquisition of subsidiaries	–	315
Net cash outflows on disposal of subsidiaries	–	(174)
Net cash generated from investing activities	157,780	14,492
Cash flows from financing activities		
Proceeds from issue of share capital	421,099	–
Proceed from bank and other borrowings	49,500	206,500
Repayments of bank and other borrowings	(50,000)	(253,690)
Repayment to associates	(32,060)	–
Advance from associates	24,696	–
Advance from a non-controlling interest	–	5,155
Repayment to a non-controlling interest	–	(1,676)
Advance from the ultimate shareholder	–	34,709
Interest paid	(3,683)	(8,662)
Repayment of lease liabilities	(282)	(472)
Net cash generated from (used in) financing activities	409,270	(18,136)
Net increase in cash and cash equivalents	373,661	106,959
Cash and cash equivalents at 1 January	232,315	526,816
Cash and cash equivalents at 30 June	605,976	633,775

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 is an exempted company incorporated in the 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 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

3 FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE ON A RECURRING BASIS

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

4 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 CODM assesses 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 14.

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.

5 REVENUE

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

6 INCOME TAX EXPENSE

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (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.

7 (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (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)	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

8 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.

9 (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 (unaudited)	2025 (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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

9 (LOSS) EARNINGS PER SHARE (Continued)

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.

10 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

11 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 36.09%. 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	36.09%	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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

12 TRADE AND OTHER RECEIVABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade receivables for contracts with customers <i>(Note)</i>	–	–
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.

13 PLEDGED BANK DEPOSITS

As at 30 June 2026, pledged bank deposits amounting to RMB80,000,000 (31 December 2025: RMB239,500,000) represent deposits pledged to a bank to secure bills payables (see Note 15) of the Group. The bills payables are due for repayment within one year from each of the end of the reporting period, and thus the pledged bank deposits are classified as current assets.

14 DISCONTINUED OPERATIONS

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited) (Restated)
Profit for the period from Everest Gold Group <i>(Note 14(i))</i>	–	33,393
Gain on disposal of Nongmuren Group <i>(Note 14(ii))</i>	–	11,465
Profit for the period from discontinued operations	–	44,858

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

14 DISCONTINUED OPERATIONS (Continued)

(i) Deemed disposal of Everest Gold Group

After considering 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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

14 DISCONTINUED OPERATIONS (Continued)

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

	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 its entire 51% equity interest in Shenzhen Xiansheng Zhanggui Technology Co., Ltd.* (深圳鮮生掌櫃科技有限公司) (together with its subsidiaries, the "Nongmuren Group" or the "Disposal Group") which constituted the fresh food retail segment of the Group, an independent third party, Shanghai Xinding Metallic Materials Co., Ltd* (上海鑫鼎金屬材料有限公司) ("Shanghai Xinding"), for a consideration of RMB300,000.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

14 DISCONTINUED OPERATIONS (Continued)

(ii) Disposal of Nongmuren Group (Continued)

	RMB'000 (audited)
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 (audited)
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 (audited)
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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

14 DISCONTINUED OPERATIONS (Continued)

(ii) Disposal of Nongmuren Group (Continued)

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

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

15 TRADE, BILLS AND OTHER PAYABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Trade payables	1,261	6,722
Other payables and accrued expenses	47,739	39,257
Bills payables (<i>Note</i>)	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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

15 TRADE, BILLS AND OTHER PAYABLES (Continued)

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 RMB'000 (unaudited)	31 December 2025 RMB'000 (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.

16 AMOUNTS DUE FROM (TO) THE ULTIMATE SHAREHOLDER AND ASSOCIATES

As at 30 June 2026 and 31 December 2025, the amounts due from (to) the ultimate shareholder and associates were non-trade in nature, unsecured, interest-free and repayable on demand.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

17 BANK BORROWINGS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Secured		
Bank borrowings at fixed rates <i>(Note)</i>	63,500	73,500
Bank borrowings at floating rates <i>(Note)</i>	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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

18 SHARE CAPITAL

	Number of shares	Share Capital	
		HK\$'000	RMB'000
Authorised:			
At 1 January 2025 (audited) and 30 June 2025 (unaudited)	3,000,000,000	30,000	24,386
Increase in authorised share capital (<i>Note (i)</i>)	2,000,000,000	20,000	18,096
At 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	5,000,000,000	50,000	42,482
Issued:			
At 1 January 2025 (audited)	1,954,080,706	19,542	15,935
Loans capitalisation	388,044,853	3,880	3,593
At 30 June 2025 (unaudited)	2,342,125,559	23,422	19,528
Issuance of new shares (<i>Note (ii)</i>)	405,000,000	4,050	3,702
Shares allotted for share award schemes (<i>Note (iii)</i>)	234,212,000	2,342	2,143
At 31 December 2025 (audited) and 1 January 2026 (audited)	2,981,337,559	29,814	25,373
Issuance of new shares (<i>Note (iv)</i>)	965,000,000	9,650	8,314
At 30 June 2026 (unaudited)	3,946,337,559	39,464	33,687

Notes:

- i) Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 23 December 2025, the authorised share capital of the Company was increased from 3,000,000,000 to 5,000,000,000 shares of HK\$0.01 each. The increase in the authorised share capital has been effective on 23 December 2025.
- ii) A total of 405,000,000 shares have been duly allotted and issued to new subscribers at the subscription price of HK\$0.45 per share during the year ended 31 December 2025.
- iii) During the year ended 31 December 2025, the Company allotted 234,212,000 ordinary shares to the trustee of the Scheme for the purpose of granting awarded shares to the participants under the share award scheme. See Note 20 for details.
- iv) 55,000,000 and 910,000,000 shares have been duly allotted and issued to new subscribers at the subscription price of HK\$0.45 and HK\$0.51 per share respectively during the period ended 30 June 2026.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

19 SHARE OPTION SCHEME

The Company has adopted a share option scheme respectively on 5 December 2012 (the “**2012 Scheme**”) and 21 April 2015 (the “**2015 Scheme**”). The 2012 Scheme and the 2015 Scheme have respectively expired on 5 December 2022 and 21 April 2025.

Further details of share option scheme were set out in the Group’s consolidated financial statements for the year ended 31 December 2025.

20 SHARE AWARD SCHEME

On 18 June 2025, the Company adopted Share Award Scheme. The purposes of the Share Award Scheme are to reward and incentivise participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

Under the Share Award Scheme:

- (i) No shares were granted during the period ended 30 June 2026 (31 December 2025: 234,212,000 awarded shares granted);
- (ii) 234,212,000 awarded shares were outstanding as at 30 June 2026 and 31 December 2025;
- (iii) No awarded shares were vested during the period ended 30 June 2026 and year ended 31 December 2025; and
- (iv) The Group recognised the total expense of RMB56,778,000 (30 June 2025: nil) for the period ended 30 June 2026 in relation to share awards granted under the Share Award Scheme.

Further details of Share Award Scheme were set out in the Group’s consolidated financial statements for the year ended 31 December 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

21 PLEDGE OF ASSETS

At the end of the reporting period, assets with the following carrying amounts were pledged to secure the bills payables and 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 the right-of-use assets)	14,503	14,721
Pledged bank deposits	80,000	239,500
	136,009	300,886

22 RELATED PARTY DISCLOSURES

(i) Related party transactions and balances

Save as disclosed elsewhere in the condensed consolidated financial statements, no other transactions and balances with related parties were entered into by the Group during both periods.

Name of related parties	Relationship	Nature of transactions	Six months ended 30 June	
			2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited) (Restated)
江西吉銀實業有限公司	A subsidiary of Everest Gold Group (<i>Note i</i>)	Sales of silver ingots (<i>Note ii</i>)	164,720	15,805
		Rental income (<i>Note iii</i>)	100	300

Notes:

- Following the deemed disposal of Everest Gold Group, the Company became a related party of Everest Gold Group since then (30 June 2025: the Company is the immediate and ultimate holding company of Everest Gold Group).
- These transactions were carried out at terms determined and agreed by the Group and the relevant parties.
- The Group entered into a one-year lease agreement for the use of warehouse and office premises with a subsidiary of Everest Gold Group during the year ended 31 December 2024. The agreement expired in 2025 and has been renewed for a further three-years term during the year ended 31 December 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

22 RELATED PARTY DISCLOSURES (Continued)

(ii) Guarantee by related parties in support of a loan facility from a financial institution

During the six months ended 30 June 2026, no guarantee was given by the Group's related parties on obtaining loan facilities (31 December 2025: Jiangxi Longtianyong Non-Ferrous Metals Co., Ltd.* (江西龍天勇有色金屬有限公司), a wholly-owned subsidiary of the Group obtained bank borrowings of RMB38,500,000 with personal guarantees given by Mr. Chen Wantian, a director of the Company and his spouse).

(iii) Compensation of key management personnel

The emoluments of the directors and members of key management of the Group are as follows:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited) (Restated)
Salaries and other allowances	1,260	1,265
Retirement benefits schemes contributions	16	27
	1,276	1,292

* The English name is for identification only.