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**Wanguo Gold Group Limited**  
**萬國黃金集團有限公司**

(Incorporated in the Cayman Islands with limited liability)  
 (Stock Code: 3939)

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**FINANCIAL HIGHLIGHTS:**

	Year ended 31 December		Increase
	2025	2024	
	RMB'000	RMB'000	
<b>Revenue</b>	<b>3,161,200</b>	1,875,561	68.5%
Cost of sales	(813,067)	(878,568)	(7.5)%
Gross profit	<b>2,348,133</b>	996,993	135.5%
Gross profit margin	<b>74.3%</b>	53.2%	21.1p.pt
Profit before tax	<b>2,096,401</b>	805,753	160.2%
Profit attributable to owners of the Company	<b>1,354,964</b>	575,375	135.5%
Profit attributable to owners of the Company excluded deferred tax	<b>1,503,623</b>	573,816	162.0%

- Revenue increased by 68.5% to approximately RMB3,161.2 million.
- Gross profit increased by 135.5% to approximately RMB2,348.1 million.
- Gross profit margin increased by 21.1 percentage points to 74.3%.
- Profit attributable to owners of the Company increased by 135.5% to approximately RMB1,355.0 million.
- Basic earnings per share was RMB31.04 cents (2024: RMB16.41 cents).
- The Board recommended the payment of a final dividend of RMB10.1 cents (equivalent to approximately HK\$11.2 cents) per share (2024: RMB14.5 cents per share or RMB3.625 cents per share after share subdivision) and a special dividend of RMBnil cents (2024: RMB7.5 cents per share or RMB1.875 cents per share after share subdivision).

The board (the “**Board**”) of directors (the “**Directors**”) of Wanguo Gold Group Limited (the “**Company**”) is pleased to announce the following audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 together with comparative figures for the year ended 31 December 2024.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	4	3,161,200	1,875,561
Cost of sales		<u>(813,067)</u>	<u>(878,568)</u>
Gross profit		2,348,133	996,993
Other income	5	29,377	6,665
Other gains and losses	6	69,934	2,828
Distribution and selling expenses		(152,299)	(54,706)
Administrative expenses		(190,935)	(133,772)
Finance costs	7	<u>(7,809)</u>	<u>(12,255)</u>
Profit before tax		2,096,401	805,753
Income tax expense	8	<u>(599,799)</u>	<u>(114,573)</u>
Profit for the year	9	<u><u>1,496,602</u></u>	<u><u>691,180</u></u>
Other comprehensive expense for the year			
– Exchange differences on translation from functional currency to presentation currency		<u>(9,035)</u>	<u>(4,146)</u>
Total comprehensive income for the year		<u><u>1,487,567</u></u>	<u><u>687,034</u></u>
Profit for the year attributable to:			
Owners of the Company		1,354,964	575,375
Non-controlling interests		<u>141,638</u>	<u>115,805</u>
		<u><u>1,496,602</u></u>	<u><u>691,180</u></u>
Total comprehensive income attributable to:			
Owners of the Company		1,344,460	570,534
Non-controlling interests		<u>143,107</u>	<u>116,500</u>
		<u><u>1,487,567</u></u>	<u><u>687,034</u></u>
Earnings per share			
Basic (RMB cents)	10	31.04	16.41
Dilutive (RMB cents)	10	<u>30.89</u>	<u>N/A</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		1,416,263	918,680
Right-of-use assets		53,231	54,621
Mining rights	12	232,628	212,974
Exploration and evaluation assets	13	311,814	237,657
Other intangible asset	14	312,165	312,165
Intangible assets		3,085	3,298
Deposit for purchase of property, plant and equipment		132,046	4,973
Deferred tax assets		7,263	5,747
Restricted bank balances		7,540	6,274
Other receivable	15	24,630	20,830
		<u>2,500,665</u>	<u>1,777,219</u>
<b>Current assets</b>			
Inventories		333,188	174,743
Trade and other receivables	15	619,761	331,095
Financial assets at fair value through profit or loss (“FVTPL”)		1,537,494	1,335,157
Amount due from a related company	16	3	3
Amount due from a non-controlling interest	16	45,547	–
Bank balances and cash			
– restricted bank balances		3,308	3,258
– cash and cash equivalents		1,025,348	513,728
– term deposit		175,720	–
		<u>3,740,369</u>	<u>2,357,984</u>
<b>Current liabilities</b>			
Trade and other payables	17	267,134	156,082
Contract liabilities		11,256	3,853
Lease liabilities		1,094	761
Amounts due to related parties	18	615	655
Consideration payable to a former non-controlling shareholder of a subsidiary		47,936	57,936
Tax payable		312,676	91,164
Bank borrowings	19	72,551	183,062
		<u>713,262</u>	<u>493,513</u>
<b>Net current assets</b>		<u>3,027,107</u>	<u>1,864,471</u>
<b>Total assets less current liabilities</b>		<u><u>5,527,772</u></u>	<u><u>3,641,690</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***At 31 December 2025*

		<b>2025</b>	2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current liabilities</b>			
Bank borrowings	<i>19</i>	<b>56,000</b>	77,600
Lease liabilities		<b>2,024</b>	2,283
Deferred income		<b>3,152</b>	4,010
Deferred tax liabilities		<b>268,881</b>	89,391
Provisions for restoration costs		<b>20,085</b>	15,085
		<u><b>350,142</b></u>	<u>188,369</u>
<b>Capital and reserves</b>			
Share capital	<i>20</i>	<b>93,273</b>	91,223
Reserves		<b>4,622,507</b>	3,043,355
		<u><b>4,715,780</b></u>	<u>3,134,578</u>
Equity attributable to owners of the Company		<b>4,715,780</b>	3,134,578
Non-controlling interests		<b>461,850</b>	318,743
		<u><b>5,177,630</b></u>	<u>3,453,321</u>
<b>Total equity</b>		<u><b>5,527,772</b></u>	<u>3,641,690</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION AND BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Wanguo Gold Group Limited is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The principal activity of the Company is investment holding. The principal subsidiaries of the Company are (i) Jiangxi Province Yifeng Wanguo Mining Company Ltd (“**Yifeng Wanguo**”), located in Jiangxi Province, the PRC, which is engaged in mining and processing of ores and sales of processed concentrates in the PRC, and (ii) GRML, located in the Solomon Islands, which is engaged in exploration, mining and processing of mineral resources, and sales of processed gold concentrates and gold doré in the Solomon Islands.

As at 31 December 2025, Victor Soar Investments Limited, a company incorporated in the British Virgin Islands, wholly owned and controlled by Mr. Gao Mingqing who is the chairman and executive director of the Company, held approximately 25.57% of the issued shares of the Company, being the single largest shareholder of the Company.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is different from the Company’s functional currency of Hong Kong dollars (“**HK\$**”). The consolidated financial statements are presented in RMB, as the operation of one of the Group’s principal subsidiaries is principally conducted in the PRC.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### Amendments to HKFRSs Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRSs Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### New and amendments to HKFRSs Accounting Standard in issue but not yet effective

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

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION**

#### **3.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with HKFRSs Accounting Standard issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange (“**Listing Rules**”) and disclosure requirements of the Hong Kong Companies Ordinance (“**HKCO**”).

#### **3.2 Material accounting policy information**

##### ***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

#### 4. REVENUE AND SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers (“CODM”), being the executive directors of the Company, in order to allocate resources to segments and to assess their performance.

In 2025, the Group has identified two reportable and operating segments: (i) processing and sale of metal concentrates in Yifeng Wanguo (the “**Yifeng Project**” Segment) and (ii) processing and sale of processed gold concentrates and gold doré in the Solomon Islands (the “**Solomon Project**” Segment). The CODM considers the Group has two operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Group mainly operates in, and all revenue is generated from, the PRC and the Solomon Islands. The Group’s principal non-current assets are located in the PRC and the Solomon Islands.

##### (i) Revenue from contract with customers within the scope of HKFRS 15

Revenue represents revenue arising from sales of processed concentrates of various metals, sales of gold doré and trading of metal concentrates. All revenue of the Group is recognised on a point in time basis, when the customers obtain control of the goods. An analysis of the Group’s revenue from its major products for the reporting period is as follows:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Disaggregation of revenue from contracts with customers		
<i>By types of major products</i>		
– Gold doré	1,556,229	667,707
– Gold concentrates	884,733	520,221
– Copper concentrates	287,067	284,386
– Zinc concentrates	62,880	110,855
– Sulfur concentrates	147,962	68,190
– Iron concentrates	33,427	48,823
– Gold in lead concentrates	59,049	52,978
– Gold in copper concentrates	35,702	32,961
– Silver in copper concentrates	30,799	23,478
– Silver in lead concentrates	23,810	24,209
– Sulfur and iron concentrates	25,501	24,042
– Lead in lead concentrates	11,767	11,089
– Copper in lead concentrates	1,382	5,183
– Gold in zinc concentrates	892	1,426
– Silver in zinc concentrates	–	13
	<u>3,161,200</u>	<u>1,875,561</u>
<i>By revenue source</i>		
– Own-mined products	3,161,200	1,827,430
– Sourced outside		
– Copper concentrates	–	37,587
– Gold in copper concentrates	–	8,021
– Silver in copper concentrates	–	2,523
	<u>–</u>	<u>48,131</u>
	<u>3,161,200</u>	<u>1,875,561</u>

## ***Performance obligations for contracts with customers and revenue recognition policies***

### *Revenue from sales of processed concentrates of various metals and own-mined gold doré*

The Group's sales of processed concentrates of various metals and gold doré sourced from the Group's own mines is recognised as revenue when control of the goods has been transferred. For sales of processed concentrates of various metals, revenue is recognised when the goods have been shipped to the customers' specific locations (delivery) or when they are collected by customers at the Group's ore processing plant at their choices. For sales of gold doré, revenue is recognised when the Group and its customer agree on the quantity based on the assay result and confirm the sale price with reference to spot gold price for the purchased goods, being when the control of the goods is passed to its customer. A contract liability is recognised for sales receipts in advance which revenue has yet been recognised. In each transaction, a sample of the ore concentrates is inspected by the Group prior to delivery or collection to determine the mineral content to be adopted as the basis of calculation of transaction price. The directors of the Company consider that in general the mineral content and grades of the Group's concentrates products meet the customers' requirements after the goods have passed the inspections.

The Group's obligations to provide a refund for faulty products are under the standard warranty terms. Historical experience is used to estimate such returns at the time of sale. It is highly probable that a significant reversal in the cumulative revenue recognised will not occur. Therefore, no refund liability for goods return has been recognised. The validity of this assumption and estimate is reassessed at each reporting date.

### *Revenue from trading of metal concentrates sourced outside*

Revenue from trading of metal concentrates sourced outside is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (i.e. upon delivery). Following the delivery, the customer has full discretion over the manner of distribution and the price to sell the goods, therefore, has the primary responsibility for the goods and bears the risks of obsolescence and loss in relation to the goods.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts for own-mined gold doré, processed concentrates and trading of metal concentrates sourced outside, if any, with an original expected duration of one year or less. Accordingly, the information about revenue to which the Group will be entitled upon satisfying the remaining performance obligations at the reporting date under those contracts is not disclosed.

(ii) Segment information

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

	Yifeng Project RMB'000	Solomon Project RMB'000	Total RMB'000
<b>For the year ended 31 December 2025</b>			
Segment revenue	<u>720,238</u>	<u>2,440,962</u>	<u>3,161,200</u>
Segment profit	<u>336,525</u>	<u>1,727,767</u>	<u>2,064,292</u>
Unallocated administrative expense			(40,317)
Unallocated other income, other gains and losses			72,792
Unallocated finance cost			<u>(366)</u>
Profit before tax			<u><u>2,096,401</u></u>
<b>For the year ended 31 December 2024</b>			
Segment revenue	<u>687,633</u>	<u>1,187,928</u>	<u>1,875,561</u>
Segment profit	<u>257,518</u>	<u>556,073</u>	<u>813,591</u>
Unallocated administrative expense			(17,323)
Unallocated other income, other gains and losses			9,899
Unallocated finance cost			<u>(414)</u>
Profit before tax			<u><u>805,753</u></u>

*Note:* There was no inter-segment revenue for the years ended 31 December 2025 and 2024.

Segment profit represents the profit earned by each segment without allocation of certain administrative expenses, unallocated other income, other gains and losses, certain finance costs. This is the measure reported to CODM for the purpose of resource allocation and performance assessment.

All the segment revenue reported above is from external customers.

(b) *Segment assets and liabilities*

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

*Segment assets*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Yifeng Project	545,151	561,781
Solomon Project	<u>2,403,011</u>	<u>1,192,108</u>
Total segment assets	2,948,162	1,753,889
<i>Assets not allocated to segments:</i>		
Property, plant and equipment	9,595	10,217
Right-of-use assets	2,767	2,772
Other intangible assets	312,165	312,165
Exploration and evaluation assets	198,637	196,583
Other receivables, deposit and prepayments	20,298	1,160
Financial assets at FVTPL	1,502,350	1,335,157
Restricted bank balances	186,568	9,532
Cash and cash equivalents	<u>1,060,492</u>	<u>513,728</u>
Consolidated total assets	<u><u>6,241,034</u></u>	<u><u>4,135,203</u></u>

*Segment liabilities*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Yifeng Project	305,390	412,247
Solomon Project	<u>626,314</u>	<u>163,724</u>
Total segment liabilities	931,704	575,971
<i>Liabilities not allocated to segments:</i>		
Accrued expenses and other payables	14,460	7,049
Amounts due to related parties	614	655
Lease liabilities	3,118	3,044
Bank borrowings	951	1,512
Deferred tax liabilities	98,891	89,391
Tax payable	4,414	–
Dividend payable	<u>9,252</u>	<u>4,260</u>
Consolidated total liabilities	<u><u>1,063,404</u></u>	<u><u>681,882</u></u>

These are the measures reported to the CODM for the purpose of resources allocation and assessment of segment performance.

Segment assets represent certain property, plant and equipment, certain right-of-use assets, intangible assets, deposits for purchase of property, plant and equipment, inventories, trade receivables, amount due from a related company, mining rights, certain exploration and evaluation assets, certain other receivables and deferred tax assets which are directly attributable to the relevant operating and reportable segments.

Segment liabilities represent trade and other payables, contract liabilities, deferred income, provisions for restoration costs, tax payable, certain bank borrowings and consideration payable to a former non-controlling shareholder of a subsidiary which are directly attributable to the relevant operating and reportable segments.

(c) **Other segment information**

	Yifeng Project RMB'000	Solomon Project RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
<b>2025</b>					
<b>Amounts included in the measurement of segment profit and segment assets:</b>					
Additions to property, plant and equipment, right-of-use assets, intangible assets and exploration and evaluation assets	39,469	588,517	627,986	3,202	631,188
Depreciation and amortisation of property, plant and equipment, mining rights, intangible assets and right-of-use assets	45,608	60,472	106,080	1,820	107,900
Finance cost	7,444	–	7,444	367	7,811
<b>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:</b>					
Taxation	62,911	532,409	595,320	4,478	599,798
<b>2024</b>					
<b>Amounts included in the measurement of segment profit and segment assets:</b>					
Additions to property, plant and equipment, right-of-use assets, intangible assets and exploration and evaluation assets	10,421	173,520	183,941	8,173	192,114
Depreciation and amortisation of property, plant and equipment, mining rights, intangible assets and right-of-use assets	47,218	48,659	95,877	1,633	97,510
Finance cost	11,841	–	11,841	414	12,255
<b>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:</b>					
Taxation	43,255	60,568	103,823	10,750	114,573

(d) **Geographical information**

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

	Revenue from external customers		Non-current assets*	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
The PRC	720,238	687,633	956,246	963,868
The Solomon Islands	2,440,962	1,187,928	1,492,625	767,510
Australia	–	–	5,094	5,986
Hong Kong	–	–	7,267	7,004
	<b>3,161,200</b>	<b>1,875,561</b>	<b>2,461,232</b>	<b>1,744,368</b>

\* *Non-current assets excluded deferred tax assets, restricted bank balance and other receivable, both shown under non-current assets.*

(e) **Information about major customers**

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Customer A <sup>1</sup>	1,556,229	667,707
Customer B <sup>2</sup>	884,733	520,221
Customer C <sup>3</sup>	N/A <sup>5</sup>	228,191
Customer D <sup>4</sup>	<b>336,546</b>	<b>N/A<sup>5</sup></b>

<sup>1</sup> Revenue for sales of gold doré

<sup>2</sup> Revenue for sales of gold concentrates

<sup>3</sup> Revenue for sales of copper concentrates, gold and silver in copper concentrates

<sup>4</sup> Revenue from sales of copper concentrates, gold and silver in copper concentrates and sulfur concentrates

<sup>5</sup> The corresponding revenue did not contribute 10% or more of the total revenue of the Group in the respective year

## 5. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income:		
– Bank deposit	7,684	3,040
– Financial assets at FVTPL	–	2,046
Government grants ( <i>note</i> )	3,479	1,403
Dividend income from financial assets at FVTPL	462	–
Other storage income	16,105	–
Others	1,647	176
	<u>29,377</u>	<u>6,665</u>

*Note:* Included in the balance are: (1) government grants related to assets amounting to RMB858,000 (2024: RMB1,160,000) granted by the local authority in the PRC for mining technology improvement, which is released to profit or loss over the expected useful lives of the relevant assets resulting from the mining technology improvement, and (2) government grants of RMB2,622,000 (2024: RMB243,000) granted by the local authority in the PRC to Yifeng Wanguo for its contribution to local economies or technological innovation with no specific conditions attached.

## 6. OTHER GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Unrealised gain from changes in fair value of financial assets at FVTPL	4,812	4,184
Realised gain from changes in fair value of financial assets at FVTPL	68,565	–
Net foreign exchange (loss) gain	(18,002)	605
Loss on disposal of property, plant and equipment	(938)	(1,961)
Write-off of other receivables	(203)	–
Assets overage	15,700	–
	<u>69,934</u>	<u>2,828</u>

## 7. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interests on bank borrowings	7,476	11,897
Interests on lease liabilities	333	358
	<u>7,809</u>	<u>12,255</u>

## 8. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
Hong Kong	4,478	–
PRC Enterprise Income Tax (“EIT”)	48,647	35,514
Solomon Islands Enterprise Income Tax (“Solomon Islands EIT”)	363,730	62,335
Withholding Tax ( <i>Note</i> )	5,000	11,865
(Over) under provision in prior years:		
EIT	<u>(101)</u>	<u>7,737</u>
	421,754	117,451
Deferred tax	<u>178,045</u>	<u>(2,878)</u>
	<u><b>599,799</b></u>	<u><b>114,573</b></u>

*Note:* Under the relevant PRC income tax laws, withholding tax is payable in respect of dividends declared and recognised as profit distributions in the current year by PRC tax resident enterprises.

Under Hong Kong’s two-tiered profits tax regime, qualifying entities are taxed at 8.25% on the first HK\$2 million of assessable profits and 16.5% on the balance. Non-qualifying entities are taxed at a flat rate of 16.5%. The Hong Kong Profits Tax charge is computed accordingly on estimated assessable profits.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of EIT Law, the tax rate of the subsidiaries established in the PRC was 25% for both years, except for one subsidiary, Yifeng Wanguo.

Yifeng Wanguo was entitled to a preferential EIT rate of 15% from 2021 to 2026, as it satisfied the conditions of high and new technology enterprises with the Certificate of High and New Technology Enterprises.

Starting from 2023, pursuant to the relevant rules and regulations, certain qualified research expenses incurred by the Group during the period and endorsed by a local tax authority in the PRC is eligible for a further deduction for PRC EIT up to 100% of the relevant costs incurred. In addition, the super deduction rate for the amortisation of intangible assets has been increased from 175% to 200% for all qualified enterprises.

From 1 January 2008, pursuant to the EIT Law and its detailed implementation rules, dividend distributed out of the profits generated thereafter shall be subject to EIT at 10% and withheld by the PRC entity. By the Tax Arrangement for Avoidance of Double Taxation between China and Hong Kong, a Hong Kong resident company should be entitled to a preferential tax rate of 5% when receiving dividend from its investee in the PRC if such investor is the beneficial owner of the PRC entity of over 25% interest. Taylor Investment International Limited (“HK Taylor”), which was incorporated in Hong Kong and owns the entire equity interest of the Group’s subsidiaries established in the PRC, enjoys the preferential tax rate aforementioned. Accordingly, deferred taxation has been provided for in the consolidated financial statements in respect of the expected dividend stream from these subsidiaries with the applicable tax rate of 5%.

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiary from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to certain retained profits of the PRC subsidiaries amounting to RMB589,830,000 (as at 31 December 2024: RMB398,846,000) as at 31 December 2025, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. As at 31 December 2025, the withholding tax of RMB20,850,000 (as at December 2024: RMB11,350,000) has been recognised in respect of undistributed profits of subsidiaries in the PRC amounting to RMB417,000,000 (as at December 2024: RMB227,000,000).

Under the Law of the Solomon Islands Government, the tax rate of the subsidiary established in the Solomon Islands and principally engaged in the Solomon Project was 35% for both years.

The applicable tax rate for the Group's subsidiaries operating in Australia is 25% for both years. No provision for Australian profit tax has been made as the Group has sufficient tax losses brought forward to set off against assessable profit for the years ended 31 December 2025 and 2024.

## 9. PROFIT FOR THE YEAR

	NOTES	2025 RMB'000	2024 RMB'000
Profit for the year has been arrived at after charging:			
Directors' emoluments		9,908	5,335
Other staff costs		128,457	88,038
		<b>138,365</b>	93,373
Retirement benefit scheme contributions, excluding those of directors		4,085	3,488
Total staff costs	(i)	<b>142,450</b>	96,861
Depreciation of property, plant and equipment	(ii)	86,605	72,715
Depreciation of right-of-use assets		2,315	2,321
Amortisation of mining rights	(iii)	18,768	22,262
Amortisation of intangible assets		212	212
Total depreciation and amortisation		<b>107,900</b>	97,510
Auditor's remuneration			
– Audit service		2,162	2,033
– Non-audit service		302	261
Sub-contracting fee (included in cost of inventories)		430,358	558,443
Freight charges (included in distribution and selling expenses)		22,200	17,426
Royalty expenses (included in distribution and selling expenses)	(iv)	89,461	17,092
Research expenses (included in administrative expenses)	(i), (ii)	26,894	25,241
Cost of inventories recognised as an expense	(i), (ii), (iii)	813,067	878,568

*Notes:*

- (i) Total staff costs amounting to approximately RMB70,600,000 (2024: RMB53,100,000) are included in cost of inventories; amounting to approximately RMB59,010,000 (2024: RMB33,210,000) are included in administrative expenses (exclude research expenses); amounting to approximately RMB735,000 (2024: RMB591,000) are included in distribution and selling expenses, and approximately RMB12,105,000 (2024: RMB9,960,000) are included in research expenses in administrative expenses.
- (ii) Depreciation of property, plant and equipment amounting to approximately RMB81,728,000(2024: RMB64,989,000) are included in cost of inventories; amounting to approximately RMB3,893,000 (2024: RMB6,849,000) are included in administrative expenses (exclude research expenses) and amounting to approximately RMB984,000 (2024: RMB877,000) are included in research expenses in administrative expenses.
- (iii) Amortisation of mining rights is included in cost of inventories.
- (iv) Royalty expenses represent the amount payable to the landowners of the Gold Ridge mine and the government of the Solomon Islands in respect of the gold produced by the subsidiary incorporated in the Solomon Islands at a pre-determined percentage pursuant to the mining license.

## 10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2025	2024
Earnings figures are calculated as follows:		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share ( <i>in RMB'000</i> )	<u>1,354,964</u>	<u>575,375</u>
		(Restated) (Note)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share ( <i>in thousand</i> )	<u>4,364,898</u>	<u>3,505,232</u>
Effect of diluted number of ordinary shares: basic earnings per share ( <i>in thousand</i> )	<u>21,146</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share ( <i>in thousand</i> )	<u>4,386,044</u>	<u>3,505,232</u>

*Note:* The calculation of basic and diluted earnings per share for the year ended 31 December 2024 has been adjusted retrospectively for the share split.

The computation of diluted earnings per share for year ended 31 December 2025 assumes the exercise of the Company's share options, as their exercise price was lower than the average market price of the shares during the period, resulting in a dilutive effect of 21,146,000 shares.

For year ended 31 December 2024, no diluted earnings per share was presented as there were no potential ordinary shares in issue.

## 11. DIVIDEND

During the reporting period, the Company recognised the following dividends as distribution:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Ordinary cash dividend:		
2025 Interim – HK20.30 (equivalent to RMB18.48) cents (2024: 2024 interim dividend RMB10.95 cents) per share	204,781	90,667
2024 Final – RMB14.50 cents (2024: 2023 final dividend RMB18.50 cents) per share	<u>155,820</u>	<u>153,180</u>
Special cash dividend:		
2024 Special – RMB7.50 cents (2024: 2023 special dividend nil cents) per share	<u>80,391</u>	<u>–</u>
	<u><b>440,992</b></u>	<u><b>243,847</b></u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of HKD11.20 (equivalent to RMB10.10) cents (2024: RMB14.50 cents) per ordinary share and a special dividend of RMBnil cents (2024: RMB7.50 cents) per ordinary share, in an aggregate amount of approximately RMB446,956,000 (2024: RMB236,211,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

Final dividend for the year ended 31 December 2024 was paid on 31 July 2025 (2024: Final dividend for the year ended 31 December 2023 was paid on 19 July 2024).

## 12. MINING RIGHTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>COST</b>		
At beginning of the year	276,171	295,406
Additions	29,897	–
Exchange adjustments	<u>10,733</u>	<u>(19,235)</u>
At end of the year	<u><b>316,801</b></u>	<u>276,171</u>
<b>AMORTISATION</b>		
At beginning of the year	63,197	44,068
Provided for the year	18,768	22,262
Exchange adjustments	<u>2,208</u>	<u>(3,133)</u>
At end of the year	<u><b>84,173</b></u>	<u>63,197</u>
<b>CARRYING VALUES</b>	<u><b>232,628</b></u>	<u><b>212,974</b></u>

The mining rights represent: (1) the right to conduct mining activities for Yifeng Project at the Xinzhuang mine in Jiangxi Province, the PRC, with a legal life of 26 years ending in 2032, and (2) the right to conduct mining activities for Solomon Project at the Gold Ridge mine on Guadalcanal in the Solomon Islands with a legal life of 15 years ending in 2034. The Gold Ridge mine in relation to the Solomon Project commenced commercial operations in 2022.

The mining rights are amortised using the unit of production method based on the actual production volume over the estimated total production volume after taking into consideration the total probable/proven reserves of the ore mines within the terms of the respective licences. The extension of the mining period and the enlargement of the annual production limit may change the estimated total probable/proven reserves of the ore mines over the terms of the licenced period.

An analysis of the carrying values of the mining rights, by mining projects, is as below:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Yifeng Project	<b>7,198</b>	8,336
Solomon Project	<b>225,430</b>	204,638
	<b>232,628</b>	212,974

As at 31 December 2025, the directors of the Company considered that there is no impairment indicator in relation to the assets of the Yifeng Project and the Solomon Project and no impairment assessments have been performed.

### 13. EXPLORATION AND EVALUATION ASSETS

	<i>RMB'000</i>
<b>COST</b>	
At 1 January 2024	229,065
Additions	15,249
Exchange adjustments	(2,340)
At 31 December 2024	241,974
Additions	73,990
Exchange adjustments	167
At 31 December 2025	316,131
<b>ACCUMULATED IMPAIRMENT LOSS</b>	
At 1 January 2024, 31 December 2024 and 2025	(4,317)
<b>CARRYING VALUES</b>	
At 31 December 2025	311,814
At 31 December 2024	237,657

The exploration and evaluation assets represent all costs directly associated with exploration and evaluation and are initially capitalised. As at 31 December 2025 and 2024, the exploration and evaluation assets are related to costs of the activities which occur in the area of 1) Changdu, Tibet Autonomous Region, the PRC, which is the principal place of business of Xizang Changdu; and 2) the Solomon Islands, which is the principal place of business of the Solomon Project.

During the current year, the Group incurred costs directly associated with the exploration and evaluation assets of approximately RMB73,885,000 (2024: RMB15,249,000), which mainly comprise of exploratory drilling costs and costs incurred in evaluation of technical feasibility and commercial viability of mineral extraction.

An analysis of the carrying values of the exploration and evaluation assets, by mining projects, is as below:

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Xizang Changdu	<b>198,637</b>	196,583
Solomon Project	<b>113,177</b>	41,074
	<b><u>311,814</u></b>	<u>237,657</u>

#### 14. OTHER INTANGIBLE ASSET

*RMB'000*

##### **COST**

At 1 January 2024, 31 December 2024 and 2025 319,288

##### **ACCUMULATED IMPAIRMENT LOSS**

At 1 January 2024, 31 December 2024 and 2025 (7,123)

##### **CARRYING VALUES**

At 31 December 2024 and 2025 312,165

In addition to the exploration and evaluation assets set out in note 13 above, the Group has recognised other intangible asset pursuant to the acquisition of Xizang Changdu in the year ended 31 December 2018 which represents, in the opinion of the directors, premium paid for the mining right license to be obtained by Xizang Changdu to conduct mining activities in the lead mine in Walege of the Changdu County, Tibet Autonomous Region, the PRC, owned by Xizang Changdu. The Group is in the process of applying the mining permit for the above mine with the relevant regulatory authorities and the directors of the Company expect the mining permit will be granted to the Group without significant cost in the foreseeable future. The relevant mining permit, when granted to the Group, will allow the Group to mine up to a predetermined level of ore every year from the date of grant through the expiry of the mining license. The aforementioned lead mine has a budgeted production plan of 26 years from 2029 to 2054 (2024: 26 years from 2028 to 2053) and estimated metallic resources and production volume of approximately 30,249,000 tonnes (2024: 30,249,000 tonnes).

The budgeted production plan and the estimated metallic resources of Xizang Changdu had been determined based on the management's expectation for the market development, feasibility study of the above mine which was prepared by a leading construction engineering consultancy firm in the PRC and reviewed and endorsed by the natural resource review panel of the Xizang province, and the expected production capacity of Xizang Changdu.

## Impairment test on Xizang Changdu Related Assets

The directors of the Company have performed impairment assessment on Xizang Changdu Related Assets and engaged an independent professional valuer, Win Bailey Valuation and Advisory Limited (2024: Win Bailey Valuation and Advisory Limited) to determine the recoverable amount of Xizang Changdu Related Assets by treating them as a single CGU. The recoverable amount is determined based on FVLCD calculation, using income approach, in particular, multi-period excess earnings method was adopted. The FVLCD has been determined taking into account the appropriate discount rate. The pre-tax discount rate in measuring recoverable amount is 28.31% (2024: 25.40%) per annum in relation to the CGU. As a result of the impairment assessment, no impairment loss in respect of Xizang Changdu Related Assets has been recognised in profit or loss during the years ended 31 December 2025 and 2024. Management believed that any reasonably possible change in any of the above assumptions would not result in impairment.

The key assumptions used in recoverable amount calculation include the discount rate and a growth rate of 0.50% (2024: 0.95%) per annum being applied for estimated selling prices. The discount rate had been determined based on the market comparable. The growth rate reflects the long-term growth rate for the country in which the entity of the CGU operates.

Apart from the considerations described above in determining the recoverable amount of the CGU, the Group's management is not currently aware of any other probable changes that would necessitate changes in these key assumptions.

Details of the assessment of headroom available as at 31 December 2025 and 2024 are as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Recoverable amount	<b>638,882</b>	550,982
Carrying amount of assets belonging to Xizang Changdu	<b>510,803</b>	508,748
Headroom	<b><u>128,079</u></b>	<u>42,234</u>

## 15. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Trade receivables from contracts with customers	<i>(a)</i>	<u>272,514</u>	<u>164,809</u>
Prepayments and other receivables			
– Prepayments to major subcontractors	<i>(b)</i>	9,874	29,280
– Prepayments to other suppliers	<i>(c)</i>	114,526	38,983
– Other receivables from major subcontractors	<i>(d)</i>	98,191	12,281
– Other receivables			
Tax credit		64,010	21,268
Other receivables		<u>85,277</u>	<u>85,304</u>
		<b>371,878</b>	187,116
Deposit for purchase of property, plant and equipment		<u>132,046</u>	<u>4,973</u>
Total trade and other receivables		<b>776,438</b>	356,898
Less: non-current portion:			
– Deposit for purchase of property, plant and equipment		(132,046)	(4,973)
– Other receivable		<u>(24,631)</u>	<u>(20,830)</u>
Current portion		<u><b>619,761</b></u>	<u>331,095</u>

### (a) Trade receivables

As at 1 January 2024, trade receivables from contracts with customers amounted to approximately RMB69,370,000.

For long-term customers with good credit quality and payment history, the Group allows credit periods of no longer than 60 days for sales of certain products. For others, the Group generally requests for deposits in advance from customers. The following is an aged analysis of trade receivables presented based on the invoice dates at the end of the reporting period.

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Within 30 days	<u>272,514</u>	<u>164,809</u>
	<u><b>272,514</b></u>	<u>164,809</u>

No trade receivables are past due as at the end of the reporting period. The Group does not hold any collateral over these balances.

The ECL for trade receivables as at 31 December 2025 and 2024 have been assessed collectively based on the trade debtors' aging, grouped by debtor balances that are not yet due and different aging brackets of numbers of days past due (if any). Based on the assessment of the management of the Group, allowance for credit losses from the trade receivables as at 31 December 2025 and 2024 is insignificant.

**(b) Prepayments to major subcontractors**

The prepayments were the subcontracting fee to mining subcontractors for mining of ores.

**(c) Prepayments to other suppliers**

Included in the balance are prepayments to suppliers of raw materials used in production, which amounted to approximately RMB39,654,000 as at 31 December 2025 (2024: RMB34,955,000).

**(d) Other receivables from major subcontractors**

As at 31 December 2025, the balance mainly represents payments made on behalf of mining subcontractors. During the year ended 31 December 2025, approximately RMB95,385,000 is expected to be offset against mining costs payable by the Group in the future, and such offset is regarded as a non-cash transaction.

**16. AMOUNT DUE FROM A RELATED COMPANY/AMOUNT DUE FROM A NON-CONTROLLING INTEREST**

	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
Amount due from a related company	<u><u>3</u></u>	<u><u>3</u></u>

The balance is due from a company wholly-owned and controlled by Mr. Gao Mingqing, the chief executive of the company. The balance is interest free, unsecured and repayable on demand.

	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
Amount due from a non-controlling interest	<u><u>45,547</u></u>	<u><u>–</u></u>

At 31 December 2025, the balance is non-interest bearing, unsecured and is expected to be settled within 12 months.

## 17. TRADE AND OTHER PAYABLES

	<i>Notes</i>	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
Trade payables	<i>(a)</i>	<u>111,130</u>	<u>92,801</u>
Value-added tax, resource tax and other tax payables	<i>(b)</i>	42,171	22,469
Payables for property, plant and equipment and mining right		45,376	4,930
Dividend payable		9,252	4,260
Accrued expenses and other payables			
– Accrued expenses		22,513	9,588
– Accrued staff cost		6,467	6,145
– Other payables		<u>30,225</u>	<u>15,889</u>
		<u>156,004</u>	<u>63,281</u>
Total trade and other payables		<u><b>267,134</b></u>	<u>156,082</u>

- (a) The majority of trade payables represent amounts due to suppliers for the purchase of raw materials, consumables and services.

Suppliers grant the Group credit terms ranging from 30 to 120 days (2024: 30 to 120 days).

The following is an aged analysis of trade payables as at the end of the reporting period, presented based on invoice dates:

	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
Within 30 days	82,830	51,223
31 to 60 days	23,614	26,000
61 to 90 days	969	2,040
Over 90 days	<u>3,717</u>	<u>13,538</u>
	<u><b>111,130</b></u>	<u>92,801</u>

- (b) As at 31 December 2025, the balance primarily comprised value-added tax and resource tax, amounted to RMB15,682,000 (2024: RMB12,036,000) and RMB6,077,000 (2024: RMB8,348,000) respectively.

## 18. AMOUNTS DUE TO RELATED PARTIES

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Mr. Gao Mingqing	<i>(a), (b)</i>	350	383
Achieve Ample Investments Limited (“Achieve Ample”)	<i>(a), (c)</i>	265	272
		<u>615</u>	<u>655</u>

### Notes:

- (a) All of the amounts above are non-trade in nature, interest free, unsecured and repayable on demand, of which approximately RMB265,000 (2024: RMB272,000) is denominated in HK\$.
- (b) Victor Soar Investments Limited held approximately 25.57% (2024: 25.96%) of the issued share capital of the Company as at 31 December 2025 and is wholly-owned and controlled by Mr. Gao Mingqing.
- (c) Ms. Gao Jinzhu, an executive director of the Company, has approximately 12.75% (2024: 12.98%) of the issued share capital of the Company as at 31 December 2025 through Achieve Ample which is wholly-owned and controlled by her.

## 19. BANK BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Unsecured bank borrowings at:		
– fixed rate	40,000	149,950
Secured bank borrowings at:		
– fixed rate	30,000	30,000
– floating rate	58,551	80,712
	<u>128,551</u>	<u>260,662</u>
The carrying amounts of the above bank borrowing are repayable:		
– within one year	71,600	181,550
– within a period of more than one year but not exceeding two years	56,000	1,600
– within a period of more than two years but not exceeding five years	–	76,000
Carrying amount of bank borrowings that contains a repayment on demand clause (shown under current liabilities)	951	1,512
	<u>128,551</u>	<u>260,662</u>
Less: Amount due within one year shown under current liabilities	<u>(72,551)</u>	<u>(183,062)</u>
Amount shown under non-current liabilities	<u>56,000</u>	<u>77,600</u>

The interest rates of the Group’s floating rate borrowings are based on Hong Kong Interbank Offered Rate and RMB Benchmark Loan Rates issued by the People’s Bank of China. Interests was reset multiple times during the year ended 31 December 2025.

The bank borrowings were guaranteed by certain directors of the Company, certain related parties and certain equity interests of certain subsidiaries. Secured bank borrowings were secured by equity interests of certain subsidiaries of the Company and certain property, plant and equipment and certain right-of-use assets of the Group.

The effective interest rates on the Group's borrowings are as follows:

	2025	2024
	%	%
Effective interest rate for fixed rate borrowings (per annum)	<b>3.45 to 6.10</b>	4.00 to 6.10
Effective interest rate for floating rate borrowings (per annum)	<b>2.35 to 4.50</b>	2.73 to 4.50

## 20. SHARE CAPITAL

Details of share capital of the Company are as follows:

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.025 (2024: HK\$0.10) each		
<b>Authorised:</b>		
At 1 January 2024, 31 December 2024	1,000,000	100,000
Increase on 28 October 2024 ( <i>note a</i> )	9,000,000	900,000
At 31 December 2024	10,000,000	1,000,000
Subdivision of shares ( <i>note b</i> )	30,000,000	–
At 31 December 2025	40,000,000	1,000,000
<b>Issued:</b>		
At 1 January 2024	828,000	82,800
Issue of shares ( <i>note c</i> )	165,600	16,560
Issued in consideration for the acquisition of a subsidiary ( <i>note d</i> )	90,227	9,023
At 31 December 2024	1,083,827	108,383
Issue of shares ( <i>note e</i> )	22,500	2,250
Subdivision of shares ( <i>note b</i> )	3,318,982	–
At 31 December 2025	4,425,309	110,633
	<b>2025</b>	2024
	<b>RMB'000</b>	<b>RMB'000</b>
Shown in the consolidated statement of financial position	<b>93,273</b>	91,223

*Notes:*

- (a) On 28 October 2024, the Company increased authorised share capital from HK\$100,000,000 divided into 1,000,000,000 shares of HK\$0.1 each to HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.1 each.
- (b) On 25 November 2025, the Company undertook share split by subdivision of each existing issued and unissued share with a par value of HK\$0.10 each into four shares with a par value of HK\$0.025 each. The new shares rank pari passu with the existing shares in all respects.
- (c) On 1 November 2024, the Company allotted and issued an aggregate of 165,600,000 new share of the Company to Gold Mountains (H.K.) International Mining Company Limited for cash.
- (d) On 9 October 2024, the Company acquired 20.22% share capital of AXF Gold Ridge by the allotment and issue of 90,227,200 new shares of the Company.
- (e) On 3 September 2025, the Company allotted and issued an aggregate of 22,500,000 new share of the Company to Victor Soar Investments Limited for cash.

## **MARKET REVIEW**

### **Gold**

In 2025, gold delivered an exceptional performance, recording one of the strongest annual gains in decades. Prices rose from the mid-US\$2,000s per ounce at the start of the year to successive record highs above US\$4,000 per ounce in the fourth quarter. The year's lower levels were seen early on amid a relatively firm U.S. dollar and residual monetary tightening, while the annual peak reflected intensified geopolitical tensions, sustained central-bank purchases, renewed ETF inflows, expectations of U.S. rate cuts and a weaker dollar.

In the first quarter, prices advanced sharply as safe-haven demand strengthened and investment flows accelerated.

The second quarter was marked by heightened volatility, with trade and geopolitical developments driving spikes, followed by brief corrections due to profit-taking and cross-asset repricing.

Momentum re-accelerated in the third quarter as easing expectations became more firmly embedded and official-sector demand remained robust, pushing gold to fresh highs.

In the fourth quarter, prices surpassed the US\$4,000 milestone before experiencing limited pullbacks on intermittent hawkish policy signals.

The year concluded with gold consolidating near record levels in December, closing strongly and reinforcing its role as a strategic hedge amid persistent global uncertainty.

### **Silver**

In 2025, silver delivered an exceptional performance, significantly outperforming gold over the same period. Prices rose from approximately US\$24-26 per ounce at the beginning of the year to record highs above US\$80 per ounce before year-end, representing a gain of more than 200% and exceeding gold's already strong annual advance. Early-year price levels reflected macro uncertainty and a relatively firm U.S. dollar, while the annual peak was driven by a combination of robust industrial demand, persistent supply deficits, strong investment inflows, expectations of U.S. monetary easing and dollar weakness.

In the first half of the year, silver advanced steadily, breaking above US\$35 per ounce as demand from solar, electronics and electrification sectors remained resilient and investment flows strengthened alongside the broader precious-metals rally. Although intermittent profit-taking caused short-term volatility, the underlying trend remained constructive.

Momentum accelerated in the second half, with silver surpassing US\$50, then US\$75, and ultimately exceeding US\$80 per ounce for the first time on record. Strong physical demand, constrained inventories and sustained investor positioning underpinned the rally.

In the final month of 2025, prices consolidated near record levels, closing the year firmly higher and highlighting silver's dual role as both a leveraged precious-metal exposure and a critical industrial commodity.

## **Copper**

In 2025, copper delivered a strong annual performance, rising by roughly 35-40% on the London Metal Exchange and approaching US\$12,000 per metric ton at its peak. The year's lower levels were recorded earlier in the period amid mixed demand signals and macro uncertainty, while the annual high reflected tightening supply conditions, declining inventories and sustained demand linked to electrification and infrastructure investment. (Sources: Trading Economics; Reuters; market commentary from major financial institutions.)

In the first quarter, prices advanced as industrial activity and infrastructure demand remained resilient, supported by expectations of improved global growth.

During the second quarter, copper experienced periods of consolidation and volatility, as trade policy uncertainty and regional inventory fluctuations tempered momentum despite constructive long-term fundamentals.

In the third quarter, prices strengthened further on signs of tightening physical markets and improving investor sentiment, bringing benchmarks close to historic highs.

In the fourth quarter, copper consolidated near elevated levels, closing the year firmly as markets balanced supply constraints against steady industrial demand, reinforcing copper's central role in the global energy transition narrative.

## **Iron**

In 2025, iron ore prices exhibited moderate volatility, generally fluctuating between US\$95 and US\$140 per metric ton (62% Fe CFR China). Prices were supported early in the year by seasonal steel restocking and infrastructure activity, while mid-year softness reflected uneven property-sector demand in China and ample global supply. By the end of the year, iron ore stabilized near the US\$110-120 per ton range as steel production discipline and steady seaborne demand helped balance the market.

In the first quarter, prices firmed toward the US\$120-130 per ton level as mills replenished inventories following winter production controls and infrastructure spending showed seasonal improvement.

During the second quarter, iron ore softened toward the lower end of its annual range, pressured by cautious steel output, persistent weakness in China's property sector, and steady shipments from major exporters including Australia and Brazil.

In the third quarter, prices recovered modestly as steel margins improved and short-term supply disruptions tightened prompt availability, lifting benchmarks back above US\$110 per ton.

In the fourth quarter, iron ore consolidated within a narrower band, closing the year around US\$115 per ton. Stable steel production and measured supply growth contributed to a more balanced market, underscoring iron ore's continued sensitivity to Chinese demand dynamics and global supply discipline.

## **Zinc**

In 2025, zinc experienced a cyclical year, with prices starting at approximately US\$2,900 per metric ton, declining to a low near US\$2,560 per metric ton mid-year, and recovering to close above US\$3,000 per metric ton. Early weakness reflected rising mine supply and softer base-metal sentiment, while the year-end recovery was supported by tighter inventories and stabilizing industrial demand.

In the first quarter, prices edged lower as concentrate supply improved and treatment charges increased, weighing on refined market sentiment amid broader macro uncertainty.

During the second quarter, zinc reached its annual low, pressured by trade-related concerns and subdued industrial momentum across key consuming regions.

In the third quarter, prices began to recover as exchange inventories declined and downstream demand showed signs of resilience, helping restore confidence in market fundamentals.

In the fourth quarter, zinc consolidated above the US\$3,000 per metric ton level, supported by tighter supply-demand balances and firmer global industrial activity, closing the year on a more stable footing.

## **Lead**

In 2025, lead traded within a relatively stable range, generally fluctuating between US\$1,900 and US\$2,100 per metric ton. Prices were supported early in the year by seasonal restocking and steady battery-sector demand, while mid-year softness reflected mixed industrial momentum and broader base-metal volatility. By year-end, lead consolidated near the upper end of its annual range as supply and demand remained broadly balanced.

In the first quarter, prices firmed modestly as downstream battery production resumed following seasonal slowdowns and inventory replenishment provided support.

During the second quarter, lead moved sideways near the US\$1,900-2,000 level, with resilient automotive battery demand offset by cautious industrial sentiment.

In the third quarter, volatility remained limited. Macro uncertainty and stable inventories kept prices range-bound, though occasional tightness in spot supply offered temporary support.

In the fourth quarter, lead edged higher toward the US\$2,000 threshold, closing the year on a stable footing amid steady consumption and relatively balanced market fundamentals.

## **BUSINESS REVIEW**

Our Group is principally engaged in the business of mining, ore processing and sale of concentrates products in the People's Republic of China (the “**PRC**”) and the Solomon Islands. Currently, we, through our wholly-owned subsidiaries, own the entire equity interest in Jiangxi Province Yifeng Wanguo Mining Company Ltd (“**Yifeng Wanguo**”) which in turn owns the Xinzhuang Copper, Lead, Zinc Mine, an operating mine located in Jiangxi Province, the PRC (“**Xinzhuang Mine**”) in which we conduct underground mining. The Xinzhuang Mine has a substantial volume of non-ferrous polymetallic mineral resources. Products of Xinzhuang Mine primarily include copper concentrates, iron concentrates, zinc concentrates, sulfur concentrates, lead concentrates as well as by-products of gold and silver.

The Group has, on 13 July 2017, completed the acquisition of 51% attributable interest of Xizang Changdu County Dadi Mining Company Limited (“**Xizang Changdu**”), which owns the lead mine in Walege of Changdu County, the PRC (“**Walege Mine**”) in which we may further exploit for open-pit and underground mining. The Walege Mine has a significant volume of mineral resources of lead and silver.

On 30 April 2020, the Group completed acquisition of 77.78% interest of AXF Gold Ridge Pty Limited, which owns 90% interest of a gold ridge mine located in the Solomon Islands (“**Gold Ridge Mine**”) in which we exploit for mining. The Group has commenced the trial production since November 2022. In addition, on 9 October 2024, the Group completed acquisition of another 20.22% interest of AXF Gold Ridge Pty Limited, resulted in the Group owning 98% interest of AXF Gold Ridge Pty Limited and 88.2% effective interest in Gold Ridge Mine.

## **EXPANSION IN EXISTING MINES**

### **Xinzhuang Mine**

We had completed our expansion plan as disclosed in the prospectus of the Company dated 28 June 2012 (the “**Prospectus**”) in Xinzhuang Mine, reaching 600,000 tpa in both mining capacity and processing capacity. We have already further upgraded to 900,000 tpa and obtained a 900,000 tpa safety production certificate in 2023.

During the first half of 2025, the copper-iron processing plant of our Xinzhuang Mine was temporarily suspended for 67 days for the purpose of technical transformation, resulting in high efficiency, energy saving, automation and improvement in level of intelligence. The production capacity of copper-iron processing plant has achieved 800,000tpa.

### **Walege Mine**

During 2025, the Group arranged timely reporting and workload disclosure for exploration license maintenance and extension purpose. The Group arranged external consultant to carry out samples collection in respect of groundwater, air and soil at the mine site.

The Group has completed the contract for pre-approval of land use and site selection opinion for the construction of 1.2 million tpa mining and processing project (120萬噸/年採選工程建設用地預審和選址意見委託合同) as well as submitted the comprehensive planning argumentation report (綜合規劃論證報告) for approval. On 11 August 2025, the Site Selection Opinion Letter for the ‘1.2 million tpa Lead Mining and Beneficiation Project at the Walege Mining Area, Karuo District, Changdu City, Tibet’ 《西藏昌都市卡若區哇了格礦區鉛礦120萬 t/a 採選工程建設項目》 was issued by the Natural Resources Bureau of Changdu City, Tibet. Document reference: No. 5403022025XS0006S01.

### **Gold Ridge Mine**

As at the date of this announcement, the Group, through our wholly-owned subsidiaries, owns 88.2% of equity interest in the Gold Ridge Mine which has a substantial volume of gold mineral resources and commenced trial production in 2023.

The facility underwent continuous process refinement throughout its operational period. By July 2025, a 500-cubic-metre flotation machine was installed and brought into service, achieving a stable gold recovery rate exceeding 80%. By December 2025, flotation processing capacity had reached and surpassed 12,000 tonnes per day.

### **EXPANSION IN SURROUNDING AREAS**

According to the Independent Technical Expert’s Report in the Prospectus, there are significant additional defined mineral resources outside the planned mining area in the Xinzhuang Mine within the boundary covered by the current mining licence held by the Group. On 20 November 2012, Yifeng Wanguo entered into an exploration agreement with the Bureau of Geology and Mineral Exploration of Jiangxi Province (the “**Jiangxi Geology Bureau**”). By the end of 2013, Jiangxi Geology Bureau has completed the field exploration work. A Mineral Resources Verification Report has been finished and approved by Jiangxi Province Land Resources Bureau in April 2014 and obtained registration in December 2014.

The exploration in the Xinzhuang Mine has increased the geological reserves of the Group and further proved the hydrogeology conditions in the mining area. Yifeng Wanguo has also appointed Changsha Mine Research Institute to carry out mining experiments on the possibility to remove the waterproof pillars in the mining area. The Group received the report by the end of June 2017. The report showed that a portion of the waterproof pillars can be removed, which will result in an increase of mineral resources of the Xinzhuang Mine by 2.6 million tonnes.

On 15 March 2026, the Group updated the mineral resources and reserves of the Gold Ridge Mine. The mineral resources and reserves were 12,970,000 Au ounces (or 403.4 tonnes) and 7,777,000 Au ounces (or 241.9 tonnes) as at 31 December 2025, compared with the mineral resources and reserves were 7,217,000 Au ounces (or 224.5 tonnes) and 1,196,000 Au ounces (or 37.2 tonnes) as at 31 December 2024, representing increase of 79.7% and 550.1% in mineral resources and reserves respectively.

In addition, the Group will incorporate the following matters into this year's exploration programme.

1. Within the boundaries of the reserve pit, there remains an inferred resource of 49.3 million tonnes (containing 1,045,000 ounces or 32.4 tonnes of gold), which can be upgraded to reserves following infill exploration and densification.
2. The southern mining area contains approximately 60 tonnes of potential resources, which require further exploration

## **ENTERING INTO PROCESSING TECHNICAL SERVICE CONTRACT AND EXPANSION FEASIBILITY STUDY CONTRACT**

### **(i) Entering Into Processing Technical Service Contract**

On 31 October 2024, Gold Ridge Mining Limited (“GRML”), an indirect non-wholly owned subsidiary of the Company, which owns the Gold Ridge Mine in the Solomon Islands, entered into a contract of processing technical service for Gold Ridge Mine, Solomon Islands (“**Technical Service Contract**”) with Xiamen Zijin Mining & Metallurgy Technology Co., Ltd (“**Zijin MMT**”).

Pursuant to the Technical Service Contract, Zijin MMT shall provide the following technical services to GRML:

- evaluate the recovery of fine-grained gold by flotation columns or Knelson concentrators;
- assist in promoting the technical transformation and production commissioning of processing upgrades, and ensure full capacity of the flotation facility;
- help to train laboratory testers, field technicians and the establishment of a standardized system for the operation of production host positions;
- help the existing concentrator indicators to reach the standard as soon as possible, and accumulate technical experience for the production of subsequent new concentrators;
- submit process materials such as periodic summary or evaluation briefing or training PPT of various work contents, as well as the final PDF version of the project research report; and
- assist in completing the technical transformation and process optimization of production-related equipment.

The contract period commenced from 1 November 2024 to 31 October 2025 and is subject to the progress of the work and valid within one year. The contract sum is RMB1.69 million and shall be payable by GRML to Zijin MMT in instalments.

## (ii) Entering Into Expansion Feasibility Study Contract

On 1 May 2025, GRML entered into a contract of a new 10 million tpa Expansion Feasibility Study for the Gold Ridge Mine (“**Expansion Feasibility Study Contract**”) with Zijin (Xiamen) Engineering Design Co. Ltd (“**Zijin Engineering**”), under which, Zijin Engineering shall assist GRML in designing the main production facilities, such as, mining and processing engineering, tailing ponds, low grade ore crushing, heap leach pads, absorptions etc., and relevant water supply, power supply, plant roads, laboratory and living auxiliary facilities, etc., for the purpose of achieving production capacity of 13 million tpa, with products output of gold doré (80% Au grade) and gold concentrate under floatation (25g/t Au grade).

The estimated contract period will end by 31 December 2026, upon submission of the construction plan by Zijin Engineering to GRML. The total contract sum is USD2.89 million (equivalent to approximately RMB20.8 million) and shall be payable by GRML to Zijin Engineering pursuant to the payment schedule according to the Expansion Feasibility Study Contract. The contract sum will be settled by internal resources available to the Group and payable as follows:

- USD140,000 payable upon execution and receiving project information;
- USD70,000 payable upon submission of pre-feasibility study report and acceptance by GRML;
- USD680,000 payable upon submission of the preliminary design and acceptance by GRML;
- USD300,000 payable upon submission of the construction drawings of the mining project (including public and auxiliary facilities) and acceptance by GRML;
- USD300,000 payable upon submission of the construction drawings of the rough crushing plant and the intermediate ore pile (including public and auxiliary facilities) of the mining project, and completion of inspection and acceptance by GRML;
- USD300,000 payable upon submission of the construction drawings for the crushing and screening, adsorption, and yard (including utilities) of the heap leach plant, and completion of inspection and acceptance by GRML;
- USD400,000 payable upon submission of the construction drawings of the ore processing plant, flotation plant, dewatering plant, pharmaceutical preparation, pharmaceutical warehouse, blower room and other ore dressing projects (including public and auxiliary facilities) and completion of inspection and acceptance by GRML;
- USD400,000 payable upon submission of the construction drawings of the auxiliary facilities, tailings transfer and return pump house, tailings storage project (including public and auxiliary facilities) and completion of inspection and acceptance by GRML; and
- Remaining USD300,000 as a guarantee deposit, payable upon completion of all design elements and services. In case of default by Zijin Engineering, it will be deducted as the liquidated damages.

Each of the contract sums of the Technical Service Contract and the Expansion Feasibility Study Contract was determined on the basis of commercial terms negotiated at arm's length between the Company and the counterparties having considered

- (i) the estimated time costs of professional and technical experts involved in the relevant projects;
- (ii) the expected outcome to the Group's production capacity; (iii) the leading technical skills in mining industry in Zijin Mining; and (iv) the quotations offered by two other engineering design firms for rendering similar services.

As disclosed in the 2024 annual report of the Company, the operation of gold mine has already contributed more than 50% of the Group's revenue and profits for the year ended 31 December 2024. In view of current blooming gold price, it is in the best interest for the Group to exploit it in due course. As such, the Board (including the independent non-executive Directors) is of the view that the terms of the Technical Service Contract and the Expansion Feasibility Study Contract are fair and reasonable, and are on normal commercial terms, and the Technical Service Contract and the Expansion Feasibility Study Contract are in the interests of the Company and the shareholders of the Company (the "**Shareholders**") as a whole.

Please refer to the Company's announcement dated 1 May 2025 for details.

## **TOP-UP SALE OF EXISTING SHARES, SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE AND SELL-DOWN SALE OF EXISTING SHARES BY THE SELLDOWN SELLER**

On 21 August 2025 (before trading hours), the Company, Victor Soar Investments Limited (the "**Top-up Seller**") and Prominence Investment Holding Company Limited (the "**Sell-down Seller**") entered into the placing and subscription agreement dated 21 August 2025 ("**Agreement**") and entered into among the Company, the Top-up Seller, the Sell-down Seller, and CLSA Limited, Guotai Junan Securities (Hong Kong) Limited, Macquarie Capital Limited, Guolian Securities International Capital Co., Limited and First Shanghai Securities Limited (the "**Placing Agents**"). Unless otherwise defined herein, capitalised terms used in this section shall have the same meanings as those defined in the announcement of the Company dated 21 August 2025 (the "**Placing Announcement**"). Pursuant to the Agreement,

- (1) the Top-up Seller agreed to sell, and the Placing Agents severally (not jointly nor jointly and severally) agreed, as agents of the Top-up Seller, to procure on a best effort basis not less than six (6) Placées to purchase 22,500,000 Shares held by the Top-up Seller at a price of HK\$32.55 per Share;
- (2) the Top-up Seller conditionally agreed to subscribe as principal for, and the Company conditionally agreed to issue, up to 22,500,000 new Shares, being equivalent to the number of the Top-up Sale Shares actually sold by the Top-up Seller pursuant to the Agreement, at the Subscription Price, which is equivalent to the Purchase Price of HK\$32.55 per Share; and

- (3) the Sell-down Seller agreed to sell, and the Placing Agents severally (not jointly nor jointly and severally) agreed, as agents of the Sell-down Seller, to procure on a best effort basis purchasers to purchase a total of 7,500,000 Sell-down Sale Shares, representing approximately 0.69% of the issued share capital of the Company as at the date of the Placing Announcement at the price of HK\$32.55 per Sell-down Sale Share.

The Purchase Price of HK\$32.55 represents:

- (1) a discount of approximately 7.00% to the closing price of HK\$35.00 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 6.73% to the average closing price of approximately HK\$34.90 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day; and
- (3) a discount of approximately 6.57% to the average closing price of approximately HK\$34.84 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day.

The Purchase Price of HK\$32.55 per Share was arrived at after arm's length negotiations among the Company, the Top-up Seller and the Placing Agents by reference to the market conditions and the recent closing prices per Share. The Directors (including the independent non-executive Directors) consider that the Purchase Price to be fair and reasonable under the market conditions as at the Agreement date and is in the best interests of the Company and the Shareholders as a whole.

The net proceeds from the Subscription were approximately HK\$722 million, net of professional fees and out-of-pocket expenses. The Company intended to use the net proceeds from the Subscription for (1) funding of the project concerning the exploration and development of the Gold Ridge Mine, which the Group exploits for mining; and (2) general working capital of the Group. The Top-up Sale and the Sell-down Sale were concurrent and closed simultaneously, but are not inter conditional.

Please refer to the Company's announcements dated 21 August 2025 and 3 September 2025 for details.

Use of proceeds	Planned use of proceeds <i>HK\$ (million)</i>	Actual use of net proceeds as at 31 December 2025 <i>HK\$ (million)</i>	Unutilised net proceeds as at 31 December 2025 <i>HK\$ (million)</i>
Funding of the project concerning the exploration and development of the Gold Ridge Mine	360.9	360.9	—
General working capital	360.9	360.9	—
Balance	<u>721.8</u>	<u>721.8</u>	<u>—</u>

## **SHARE SUBDIVISION AND CHANGE IN BOARD LOT SIZE**

As at 3 November 2025, the authorised share capital of the Company was HK\$1,000,000,000 divided into 10,000,000,000 Shares of HK\$0.1 each, of which 1,106,327,200 Shares have been issued and are fully paid or credited as fully paid. Unless otherwise defined herein, capitalised terms used in this section shall have the same meanings as those defined in the announcement of the Company dated 3 November 2025.

The Board proposed to subdivide each existing issued and unissued Share of HK\$0.1 each into four (4) Subdivided Shares of HK\$0.025 each (“**Share Subdivision**”). Upon the Share Subdivision becoming effective, the authorized share capital of the Company will be HK\$1,000,000,000 divided into 40,000,000,000 Subdivided Shares, of which 4,425,308,800 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares will be issued or repurchased after 3 November 2025 and prior to the Share Subdivision becoming effective.

The Shares were traded on the Stock Exchange in board lot size of 2,000 Shares. The Board further proposed that upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange shall be changed to 500 Subdivided Shares for each board lot. The Change in Board Lot Size did not result in any change in the relative rights of the Shareholders.

## **REASONS FOR THE SHARE SUBDIVISION AND THE CHANGE IN BOARD LOT SIZE**

The Board is of the view that the Share Subdivision will lower the investment barrier and improve the liquidity in the trading of shares of the Company and broaden the shareholder base of the Company by appealing to more investors. In forming its view, the Board has also taken into account general feedback received from Shareholders from time to time, including suggestions that a share subdivision could enhance market accessibility and improve the trading liquidity of the Company’s Shares. As a result, the Share Subdivision is expected to result in downward adjustment to the trading price of each Share and the market value per board lot of Shares. Given the prevailing market conditions, a more liquid market will provide more flexibility for investors to trade in the shares of the Company, which will in turn facilitate the Company’s growth and development in the future.

Please refer to the Company’s announcement dated 3 November 2025, 6 November 2025, and 21 November 2025 for details.

An ordinary resolution was duly passed for the aforesaid resolutions in an extraordinary general meeting of Shareholders on 21 November 2025. The Share Subdivision as well as the change in board lot size became effective on Tuesday, 25 November 2025.

## ADJUSTMENTS TO THE 2024 SHARE OPTION SCHEME AND THE 2024 SHARE AWARD SCHEME OF THE COMPANY

As at 21 November 2025, there were share options granted under the 2024 Share Option Scheme (the “**Share Options**”) outstanding entitling the holders thereof to subscribe for an aggregate of 10,880,000 new Shares. In accordance with the terms and conditions of the 2024 Share Option Scheme and Rule 17.03(13) of the Listing Rules, upon the Share Subdivision becoming effective on Tuesday, 25 November 2025, there will be 43,520,000 outstanding Share Options granted by the Company under the 2024 Share Option Scheme. The Share Subdivision has led to adjustments to the exercise price of the outstanding Share Options and the number of Subdivided Shares to be allotted and issued upon full exercise of subscription rights attaching to the outstanding Share Options in the following manner:

Date of grant	Immediately before the Share Subdivision becoming effective		Immediately after the Share Subdivision becoming effective	
	Number of Shares to be allotted and issued upon full exercise of subscription rights attaching to the outstanding Share Options	Exercise price per Share	Adjusted number of Subdivided Shares to be allotted and issued upon full exercise of subscription rights attaching to the outstanding Share Options	Adjusted exercise price per Subdivided Share
24 January 2025	8,750,000	HK\$13.31	35,000,000	HK\$3.3275
20 March 2025	2,130,000	HK\$17.80	8,520,000	HK\$4.45

## SHARE AWARD SCHEME

The Company adopted a share award scheme (the “**2024 Share Award Scheme**”) on 15 January 2025 (the “**Adoption Date**”), in order to recognise the contribution or future contribution of the eligible participants for their contribution to the Group by granting awards to them as incentives or rewards, and to attract, retain and motivate high-calibre eligible participants in line with the performance goals of the Group.

As at 15 January 2025, there were 108,382,720 award shares available for grant under the 2024 Share Award Scheme. As at 15 January 2025, the service provider sublimit was 32,514,816 Shares (being 3% of the total number of shares in issue (excluding treasury shares, if any) on the Adoption Date). As at 31 December 2025, following the Share Subdivision, 381,490,880 Shares were available for grant under the 2024 Share Award Scheme (and 95,372,720 Shares were available for grant immediately before the Share Subdivision became effective on 25 November 2025). As at 31 December 2025, the service provider sublimit was 123,659,264 Shares (and 30,914,816 Shares immediately before the Share Subdivision became effective on 25 November 2025). Please refer to the Company’s announcements dated 21 November 2024 and 15 January 2025 and the Company’s circular dated 23 December 2024 for details.

Since the adoption of the 2024 Share Award Scheme, no award shares have been granted under the 2024 Share Award Scheme.

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the “2024 Share Option Scheme”) on 15 January 2025, in order to recognise and acknowledge the contributions that eligible participants have made or may make to the Group, and to enable the Group to grant options to the eligible participants as incentives or rewards for their contributions to the Group.

As at 15 January 2025, there were 108,382,720 options available for grant under the 2024 Share Option Scheme. As at 15 January 2025, the service provider sublimit was 32,514,816 Shares (being 3% of the total number of shares in issue (excluding treasury shares, if any) on the Adoption Date). During the six months ended 30 June 2025, 13,010,000 options were granted and among which 2,130,000 options were cancelled. No options were exercised or lapsed. Accordingly, number of Shares that have been issued in respect of options granted during the year ended 31 December 2025 is nil. As at 31 December 2025, following the Share Subdivision, 381,490,880 Shares were available for grant under the 2024 Share Option Scheme (and 95,372,720 Shares were available for grant immediately before the Share Subdivision became effective on 25 November 2025). As at 31 December 2025, the service provider sublimit was 123,659,264 Shares (and 30,914,816 Shares immediately before the Share Subdivision became effective on 25 November 2025).

Please refer to the Company’s announcements dated 21 November 2024, 15 January 2025, 24 January 2025, 4 February 2025, 20 March 2025 and 24 March 2025 and the Company’s circular dated 23 December 2024 for details.

Details of the share options outstanding under the 2024 Share Option Scheme as at 31 December 2025 entitling holders thereof to subscribe for the Shares in the Company are as follows:

Grantee	Date of grant	Vesting period	Exercise period	Exercise price per Share as at the date of grant and before Share Subdivision became effective (HK\$)	Exercise price per Share after Share Subdivision became effective (HK\$)	Closing price per Share immediately before the date of grant (HK\$)	Fair value of options at the date of grant <sup>(1)</sup> (HK\$)	Weighted average closing price of the Shares immediately before the dates of exercised or vested (HK\$)	Number of share options						Balance as at 25 November 2025 immediately before Share Subdivision	Balance after Share Subdivision and as at 31 December 2025
									Balance as at 1 January 2025	Granted during the reporting period <sup>(3)</sup>	Vested during the reporting period	Exercised during the reporting period	Cancelled during the reporting period	Lapsed during the reporting period		
<b>Directors</b>																
Gao Mingqing (Chairman, Chief Executive Officer, Executive Director and substantial shareholder)	24 January 2025	24/1/2025-24/1/2027	25/1/2027-23/1/2035	13.31	3.3275	13.30	3.71	N/A	-	1,080,000	-	-	(1,080,000)	-	-	-
	20 March 2025	20/3/2025-20/3/2027	21/3/2027-19/3/2035	17.80	4.45	17.26	5.00	N/A	-	1,080,000	-	-	-	-	1,080,000	4,320,000
Gao Jinzhu (Executive Director and substantial shareholder)	24 January 2025	24/1/2025-24/1/2027	25/1/2027-23/1/2035	13.31	3.3275	13.30	3.71	N/A	-	400,000	-	-	(400,000)	-	-	-
	20 March 2025	20/3/2025-20/3/2027	21/3/2027-19/3/2035	17.80	4.45	17.26	5.00	N/A	-	400,000	-	-	-	-	400,000	1,600,000
Liu Zhichun (Executive Director)	24 January 2025	24/1/2025-24/1/2027	25/1/2027-23/1/2035	13.31	3.3275	13.30	3.71	N/A	-	400,000	-	-	(400,000)	-	-	-
	20 March 2025	20/3/2025-20/3/2027	21/3/2027-19/3/2035	17.80	4.45	17.26	5.00	N/A	-	400,000	-	-	-	-	400,000	1,600,000
Wang Renxiang (Non-executive Director)	24 January 2025	24/1/2025-24/1/2027	25/1/2027-23/1/2035	13.31	3.3275	13.30	3.71	N/A	-	250,000	-	-	(250,000)	-	-	-
	20 March 2025	20/3/2025-20/3/2027	21/3/2027-19/3/2035	17.80	4.45	17.26	5.00	N/A	-	250,000	-	-	-	-	250,000	1,000,000
Other employees	24 January 2025	24/1/2025-24/1/2027	25/1/2027-23/1/2035	13.31	3.3275	13.30	4.34	N/A	-	7,150,000	-	-	-	-	7,150,000	28,600,000
Service providers	24 January 2025	24/1/2025-24/1/2027	25/1/2027-23/1/2035	13.31	3.3275	13.30	4.21	N/A	-	1,600,000	-	-	-	-	1,600,000	6,400,000
Total:									-	13,010,000	-	-	(2,130,000)	-	10,880,000	43,200,000

### Notes:

- (1) According to Hong Kong Financial Reporting Standard 2 – Share-based Payment, fair value is defined as “the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm’s length transaction”. The share options were appraised on the basis of fair value.

Certain major assumptions have to be adopted in order to sufficiently support the conclusion of value. Major assumptions included there will be no material change in the political, legal, fiscal, technological, market and economic conditions that will materially affect the underlying security of the share options, the interest rates will not differ materially from those of present or expected and information provided by the Company is true and accurate.

The binomial option pricing model was adopted in the valuation. In the valuation, various possible outcomes and the corresponding probability of each scenario were estimated and the value of the share options is represented by the present value of the probability-weighted resulting value of all scenarios considered. The following tables set out the principal valuation parameters have been applied in determining the fair value of the share options granted on 24 January 2025 and 20 March 2025 respectively.

<b>Parameters</b>	<b>Date of grant: 24 January 2025</b>	<b>Date of grant: 20 March 2025</b>
Stock Price (HK\$)	13.30	17.80
Exercise Price (HK\$)	13.31	17.80
Risk-free Rate (%)	3.84%	3.47%
Time to Maturity (Years)	10 years	10 years
Time to Vest (Year)	2 years	2 years
Expected Dividend Yield (%)	2.49%	2.25%
Expected Volatility (%)	46.55%	46.77%

- (2) The share options granted under the 2024 Share Option Scheme as set out in the table above were not subject to any performance targets.

The number of Shares that may be issued in respect of options and awards granted under all schemes of the issuer (i.e. the 2024 Share Option Scheme and the 2024 Share Award Scheme) during the financial period divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the period is 1.0%.

#### **APPOINTMENT OF A CHIEF ADVISOR AND ESTABLISHMENT OF A STRATEGIC DEVELOPMENT COMMITTEE (“SDC”)**

On 2 February 2026, the Group has appointed Mr. Chen Jinghe (陳景河) as our Chief Advisor and the director of our SDC.

Given Mr. Chen’s experience and expertise, the Board believes his appointment will strengthen the Group’s development in our Gold Ridge Mine as well as future merger and acquisition projects.

The Company has set up a SDC for advising on development strategies for the Group’s existing operations as well as potential projects in future.

The primary duties of the SDC includes (i) research and recommend on the medium-term and long-term development strategy of the Company including but not limited to acquisition of new mines; (ii) review and recommend on the medium-term and long-term strategic goals and development plans of the business of the Company; (iii) research and recommend on any other significant matters affecting the development of the Company; (iv) review the implementation of the above matters; and (v) other duties as delegated by the Board.

The Board believes that establishing a SDC, a team of experienced and knowledgeable experts, can enhance the quality of decision-making, optimise operational efficiency, and introduce advanced technology or management expertise to the Group

## MINERAL RESOURCES AND RESERVES

The Xinzhuang Mine Mineral Resource Summary – as at 31 December 2025

Mineralisation Type	JORC Mineral Resource Category	Tonnage <i>kt</i>	Grades					Contained Metals				
			Cu %	Pb %	Zn %	TFe %	mFe %	Cu <i>kt</i>	Pb <i>kt</i>	Zn <i>kt</i>	TFe <i>kt</i>	mFe <i>kt</i>
Cu-Fe	Measured	4,132.12	0.76	-	-	-	-	31.40	-	-	-	-
	Indicated	9,677.97	0.71	-	-	-	-	68.71	-	-	-	-
	<b>Subtotal</b>	<b>13,810.09</b>	<b>0.72</b>	-	-	-	-	<b>100.12</b>	-	-	-	-
	Inferred	443.49	0.49	-	-	-	-	2.15	-	-	-	-
	<b>Total</b>	<b>14,253.58</b>	<b>0.72</b>	-	-	-	-	<b>102.27</b>	-	-	-	-
Fe-Cu	Measured	1,298.47	0.19	-	-	44.17	30.89	2.42	-	-	573.57	410.10
	Indicated	2,158.66	0.34	-	-	39.59	25.15	7.34	-	-	854.67	542.98
	<b>Subtotal</b>	<b>3,457.13</b>	<b>0.28</b>	-	-	<b>41.31</b>	<b>27.31</b>	<b>9.76</b>	-	-	<b>1,428.24</b>	<b>944.08</b>
	Inferred	191.19	0.52	-	-	44.13	31.02	1.00	-	-	84.37	59.30
	<b>Total</b>	<b>3,648.32</b>	<b>0.30</b>	-	-	<b>41.46</b>	<b>27.50</b>	<b>10.76</b>	-	-	<b>1,512.61</b>	<b>1,003.38</b>
Cu-Pb-Zn	Measured	988.17	0.13	0.95	5.17	-	-	1.29	9.39	51.09	-	-
	Indicated	1,370.45	0.09	1.88	3.70	-	-	1.19	25.79	50.70	-	-
	<b>Subtotal</b>	<b>2,358.62</b>	<b>0.11</b>	<b>1.49</b>	<b>4.32</b>	-	-	<b>2.49</b>	<b>35.18</b>	<b>101.79</b>	-	-
	Inferred	247.78	0.13	0.39	4.44	-	-	0.31	0.98	10.99	-	-
	<b>Total</b>	<b>2,606.40</b>	<b>0.11</b>	<b>1.39</b>	<b>4.33</b>	-	-	<b>2.80</b>	<b>36.15</b>	<b>112.78</b>	-	-
Total	Measured	6,418.76	-	-	-	-	-	35.12	9.39	51.09	573.57	401.10
	Indicated	13,207.08	-	-	-	-	-	77.25	25.79	50.70	854.67	542.98
	<b>Subtotal</b>	<b>19,625.84</b>	-	-	-	-	-	<b>112.37</b>	<b>35.18</b>	<b>101.79</b>	<b>1,428.24</b>	<b>944.08</b>
	Inferred	882.46	-	-	-	-	-	3.47	0.98	10.99	84.37	59.30
	<b>Total</b>	<b>20,508.30</b>	-	-	-	-	-	<b>115.83</b>	<b>36.15</b>	<b>112.78</b>	<b>1,512.61</b>	<b>1,003.38</b>

### Notes:

- (1) The mineral resources also contain meaningful amounts of gold and silver. Based on limited composite sample analysis, the average grade is 0.19 g/t for gold and 13.1 g/t for silver in the Cu-Fe resource, 0.17 g/t for gold and 5.7 g/t for silver in the Fe-Cu resource, and 0.61 g/t for gold and 56.7 g/t for silver for the Cu-Pb-Zn resource.
- (2) The mineral resource and ore reserve estimates prepared in accordance with JORC Code were based on information up to 31 December 2011, as disclosed in the Appendix V of the Prospectus. Please refer to the same for details of the assumptions and parameters used to calculate these resource and reserve numbers and qualities of metals.
- (3) There were no material changes in these estimates during the period from 31 December 2011 to 31 December 2025.

The Xinzhuang Mine Ore Reserve Summary – as at 31 December 2025

Mineralization Type	JORC Ore Reserve Category	Tonnage <i>kt</i>	Grades				Contained Metals					
			Cu %	Pb %	Zn %	TFe %	mFe %	Cu <i>kt</i>	Pb <i>kt</i>	Zn <i>kt</i>	TFe <i>kt</i>	mFe <i>kt</i>
Cu-Fe	Proved	2,996.31	0.77	–	–	–	–	23.07	–	–	–	–
	Probable	2,668.93	0.66	–	–	–	–	17.74	–	–	–	–
	<b>Total</b>	<b>5,665.24</b>	<b>0.72</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>40.82</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Fe-Cu	Proved	1,526.97	0.21	–	–	37.19	32.15	3.17	–	–	567.83	490.94
	Probable	708.09	0.32	–	–	23.17	19.81	2.27	–	–	164.06	140.31
	<b>Total</b>	<b>2,235.06</b>	<b>0.25</b>	<b>–</b>	<b>–</b>	<b>32.53</b>	<b>28.05</b>	<b>5.44</b>	<b>–</b>	<b>–</b>	<b>731.90</b>	<b>631.24</b>
Cu-Pb-Zn	Proved	578.17	0.08	0.9	4.99	–	–	0.49	5.20	28.85	–	–
	Probable	84.01	0.04	1.31	2.93	–	–	0.03	1.10	2.46	–	–
	<b>Total</b>	<b>662.17</b>	<b>0.08</b>	<b>0.97</b>	<b>4.62</b>	<b>–</b>	<b>–</b>	<b>0.52</b>	<b>6.30</b>	<b>31.31</b>	<b>–</b>	<b>–</b>
Total	Proved	5,101.45	–	–	–	–	–	26.73	5.20	28.85	567.83	490.94
	Probable	3,461.03	–	–	–	–	–	20.05	1.10	2.46	164.06	140.31
	<b>Total</b>	<b>8,562.47</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>46.78</b>	<b>6.30</b>	<b>31.31</b>	<b>731.90</b>	<b>631.24</b>

Notes:

- (1) The mineral resources also contain meaningful amounts of gold and silver. Based on limited composite sample analysis, the average grade is 0.19 g/t for gold and 13.1 g/t for silver in the Cu-Fe resource, 0.17 g/t for gold and 5.7 g/t for silver in the Fe-Cu resource, and 0.61 g/t for gold and 56.7 g/t for silver for the Cu-Pb-Zn resource.
- (2) The mineral resource and ore reserve estimates prepared in accordance with JORC Code were based on information up to 31 December 2011, as disclosed in the Appendix V of the Prospectus. Please refer to the same for details of the assumptions and parameters used to calculate these resource and reserve numbers and qualities of metals.
- (3) There were no material changes in these estimates during the period from 31 December 2011 to 31 December 2025.

**The Walege Mine Mineral Resource Summary**  
**– as at 31 December 2025 Grade Tonnage Reported**  
**above a Cut-off Grade of 2.5% Pb**

JORC Mineral Resource Category	Tonnes (Mt)	Grade (Pb%)	Ag (g/t)	Lead Metal (1,000t)	Silver Metal (1,000Kg)	BaSo <sub>4</sub> (%)	Barium Sulfate (1,000t)
Measured	13.996	3.79	44.80	530.4	627.1	55.73	927.2
Indicated	18.343	3.57	43.32	655.6	794.7	56.11	644.9
Inferred	10.688	3.82	48.22	408.5	515.4	55.04	854.2
<b>Totals</b>	<b>43.027</b>	<b>3.71</b>	<b>45.02</b>	<b>1,594.5</b>	<b>1,937.2</b>	<b>55.93</b>	<b>2,523.4</b>

*Notes:*

- (1) The mineral resource estimates were based on 136 diamond drilling holes, 54 trenching projects and 9 pit excavation engineering completed up until 2018. The wireframes were generated based on cross sectional widths of 50m-100m\*100m-200m spacing. This was based on exploration drilling patterns. Mineralisation cut-off grades of 0.5% Pb combined with the geological logging were used to define the mineralised envelopes.
- (2) The mineral resources have been classified and reported in accordance with the JORC Code. Resource classification is based on confidence in the mapping, geological interpretation, drill spacing and geostatistical measures. The current resource models provided robust global estimates of the in situ mineralisation of Pb and Ag. Mineral Resources have been reported above cut-off of 2.5% Pb.
- (3) The mineral resource estimates were based on 72 diamond drill holes completed up until 2013 and the wireframes were generated based on cross sectional widths of 100m-100m spacing as disclosed in the Company's circular dated 2 December 2015. There were no material changes in these estimates during the period from 31 December 2018 to 31 December 2025.

**The Gold Ridge Mine Mineral Resources Summary as of 31 December 2025**

Class	Type	Tonnages kt	Au g/t	Au koz
Measured	oxide	400	0.88	10
	transitional	800	1.01	30
	fresh	39,300	0.92	1170
	<b>Sub Total</b>	<b>40,600</b>	<b>0.92</b>	<b>1200</b>
Indicated	oxide	2,200	0.80	60
	transitional	2,500	0.92	70
	fresh	240,300	0.96	7,430
	<b>Sub Total</b>	<b>245,100</b>	<b>0.96</b>	<b>7,560</b>
Inferred	oxide	2,700	0.77	70
	transitional	1,900	0.72	40
	fresh	174,700	0.73	4,110
	<b>Sub Total</b>	<b>179,300</b>	<b>0.73</b>	<b>4,220</b>
	<b>Grand Total</b>	<b>464,900</b>	<b>0.87</b>	<b>12,970</b>

**Reported at 1 g/t Au cut-off below 1.3 RF pit depleted**

<b>Class</b>	<b>Type</b>	<b>Tonnages</b> <i>kt</i>	<b>Au</b> <i>g/t</i>	<b>Au</b> <i>koz</i>
Indicated	oxide	0	0	0
	transitional	0	0	0
	fresh	100	1.2	4
	<b>Sub Total</b>	<b>100</b>	<b>1.2</b>	<b>4</b>
Inferred	oxide	23	1.23	0.9
	transitional	6	1.10	0.2
	fresh	5,200	1.55	260
	<b>Sub Total</b>	<b>5,200</b>	<b>1.55</b>	<b>260</b>
<b>Grand Total</b>		<b>5,300</b>	<b>1.54</b>	<b>260</b>

*Note:*

1. The Mineral Resources have been compiled by Dr. Song Huang who is a full-time employee of SLR Consulting Ltd (SLR), an independent consulting firm, and a Registered Member of the Australian Institute of Mining and Metallurgy. Dr. Huang has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.
2. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
3. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
4. The Mineral Resources have been reported at a 100% equity stake and not factored for ownership proportions.
5. The Mineral Resource is reported at variable Au cut off within a 4,200 USD pit shell (0.23g/t for oxide, 0.26g/t for transition, and 0.26g/t for fresh); and 1 g/t Au cut off below the pit shell. The cut off grades were based on estimated mining and processing costs and recovery factors based on the previous pre-feasibility study and updated processing costs.

**The Gold Ridge Mine Ore Reserve Summary as at 31 December 2025**

	<b>Proved</b>			<b>Probable</b>			<b>Total</b>		
	<b>Qty</b> <i>Mt</i>	<b>Au</b> <i>g/t</i>	<b>Au</b> <i>Koz</i>	<b>Qty</b> <i>Mt</i>	<b>Au</b> <i>g/t</i>	<b>Au</b> <i>Koz</i>	<b>Qty</b> <i>Mt</i>	<b>Au</b> <i>g/t</i>	<b>Au</b> <i>koz</i>
Pit	37.0	0.94	1,121	205.6	1.01	6,655	242.5	1.00	7,777

*Notes:*

1. The Ore Reserves are evaluated at a gold price of USD3,200 per troy ounce.

2. The marginal cut-off grades are determined based on a USD 3,200 per troy ounce gold price for a conservative approach to planning, and operating costs and mining and metallurgical modifying factors.
3. Marginal cut-off grades applied in reporting of the Ore Reserves are: Oxide 0.23 g/t Au, Transition 0.28 g/t Au and Fresh 0.28 g/t Au.
4. The input parameters to estimate marginal cut-off grades were derived from the outcomes of the pre-feasibility study and the Group operational data. They have been checked against the outcomes of the mining study, including the project's financial model, and have been shown to be reasonable.
5. Ore Reserve estimates are not precise calculations, depending on the interpretation of limited information on the location, shape and continuity of the occurrence and the available sampling results. The quantities in the above table have been rounded to three significant figures to reflect the relative uncertainty of the estimate. Rounding may cause values in the table to appear to have computational errors.
6. All Ore Reserve estimates are on a dry basis.

## FINANCIAL REVIEW

	Concentrates		Year ended 31 December			
	products, gold doré and gold concentrates (own mined) <i>RMB'000</i>	Trading of other concentrate (sourced outside) <i>RMB'000</i>	2025 Total <i>RMB'000</i>	Concentrates products, gold doré and gold concentrates (own mined) <i>RMB'000</i>	Trading of other concentrates (sourced outside) <i>RMB'000</i>	2024 Total <i>RMB'000</i>
Revenue	3,161,200	–	3,161,200	1,827,430	48,131	1,875,561
Cost of sales	(813,067)	–	813,067	(829,828)	(48,740)	(878,568)
Gross profit/(loss)	2,348,133	–	2,348,133	997,602	(609)	996,993
Gross profit margin	<u>74.3%</u>	<u>N/A</u>	<u>74.3%</u>	<u>54.6%</u>	<u>(1.27%)</u>	<u>53.2%</u>

### Revenue, cost of sales, gross profit and gross profit margin

The Group's overall revenue increased by approximately 68.5% from approximately RMB1,875.6 million in 2024 to approximately RMB3,161.2 million in 2025, which was primarily due to the increase in sales generated by our Gold Ridge Mine and the surge in gold prices. Our cost of sales decreased by approximately 7.5% from approximately RMB878.6 million in 2024 to approximately RMB813.1 million in 2025 which was mainly attributable to the termination of trading of other concentrate.

The overall gross profit of the Group increased by approximately 135.5% from approximately RMB997.0 million for the year ended 31 December 2024 to approximately RMB2,348.1 million for the year ended 31 December 2025. The overall gross profit margin increased from approximately 53.2% for the year ended 31 December 2024 to approximately 74.3% for the year ended 31 December 2025. Such increase was mainly attributable to the improvement in the gross profit margin of our Gold Ridge Mine, which was driven by the rise in gold prices.

(i) *Concentrates products, gold doré and gold concentrates (own mined)*

	Year ended 31 December					
	Xinzhuang Mine Concentrated products RMB'000	Gold Ridge Mine gold doré and gold concentrates RMB'000	2025 Total RMB'000	Xinzhuang Mine Concentrated products RMB'000	Gold Ridge Mine gold doré and gold concentrates RMB'000	2024 Total RMB'000
Revenue	720,238	2,440,962	3,161,200	639,502	1,187,928	1,827,430
Cost of sales	(317,631)	(495,436)	(813,067)	(302,891)	(526,937)	(829,828)
Gross profit	402,607	1,945,526	2,348,133	336,611	660,991	997,602
Gross profit margin	<u>55.9%</u>	<u>79.7%</u>	<u>74.3%</u>	<u>52.6%</u>	<u>55.6%</u>	<u>54.6%</u>

*Xinzhuang Mine – concentrates products*

Revenue from sales of concentrates products increased by approximately 12.6% from approximately RMB639.6 million for the year ended 31 December 2024 to approximately RMB720.2 million for the year ended 31 December 2025.

For the year ended 31 December 2025, we sold 4,107 tonnes of copper in copper concentrates, 57,083 tonnes of iron concentrates and 4,191 tonnes of zinc in zinc concentrates, compared to 3,990 tonnes, 76,322 tonnes and 6,480 tonnes respectively for the year ended 31 December 2024, representing an increase of approximately 2.9% for copper in copper concentrates and decreases of approximately 25.2% and 35.3% for iron concentrates and zinc in zinc concentrates respectively which were principally due to the decrease in Cu-Pb-Zn resources and the volume of zinc in zinc concentrates processed decreased.

The average prices of copper in copper concentrates, iron concentrates and zinc in zinc concentrates in 2025 were RMB69,897, RMB586 and RMB15,004 per tonne respectively, compared to RMB61,854, RMB640 and RMB17,107 per tonne respectively in 2024, representing increases of approximately 13.0% for copper in copper concentrates, the increase in concentrate prices was primarily driven by tight supply conditions and strong demand and a decrease of approximately 8.4% and 12.3% for iron concentrates and zinc in zinc concentrates respectively which was due to weaker demand in the construction and manufacturing sectors as well as increased supply pressures in the global market.

The cost of sales of concentrates products increased by approximately 4.9% from approximately RMB302.9 million in 2024 to approximately RMB317.8 million in 2025, which was in line with the increase in sales.

The gross profit of concentrates products for the year ended 31 December 2025 was approximately RMB402.4 million, representing an increase of approximately 19.5% compared to approximately RMB336.6 million for the year ended 31 December 2024. The gross profit margin increased from approximately 52.6% for the year ended 31 December 2024 to approximately 55.9% for the year ended 31 December 2025. The increase in our gross profit margin was mainly attributable to higher copper and sulfur prices.

#### *Gold Ridge Mine – gold doré and gold concentrates*

Our Gold Ridge Mine exported gold doré from the heap leach operation and also exported gold concentrates from flotation operation.

Revenue from sales of gold doré and gold concentrates increased by approximately 105.5% from approximately RMB1,187.9 million for the year ended 31 December 2024 to approximately RMB2,441.0 million for the year ended 31 December 2025. The increase was mainly driven by the sharp rise in gold prices, resulting in higher sales from gold concentrates and gold doré.

The cost of sales of gold doré and gold concentrates decreased by approximately 6.0% from approximately RMB526.9 million for the year ended 31 December 2024 to approximately RMB495.3 million for the year ended 31 December 2025. The decrease was mainly attributable to improved processing efficiency, which lowered unit production costs.

The gross profit of gold doré and gold concentrates for the year ended 31 December 2025 was approximately RMB1,945.7 million, which represented an increase of approximately 194.4% compared to approximately RMB661.0 million for the year ended 31 December 2024. The gross profit margin increased from approximately 55.6% for the year ended 31 December 2024 to approximately 79.7% for the year ended 31 December 2025. Such increase was mainly attributable to the surge in gold price.

#### **(ii) *Trading of electrolytic copper and other concentrates (sourced outside)***

The Group did not carry out this business in 2025, and no revenue was recorded during the year.

#### **Other income**

Our other income mainly comprised bank interest income of approximately RMB7.7 million, incentives received from governmental authorities of approximately RMB2.6 million and government grant, subsidy to Yifeng Wanguo in relation to the mining technology improvement of approximately RMB0.9 million and income from sub-contractors in respect of storage fees of approximately RMB16.1 million for the year ended 31 December 2025. Other income increased by approximately RMB22.7 million as compared to 2024, which was mainly attributable to the increase in income from financial assets at FVTPL and income from sub-contractors in respect of storage fees.

## **Other gains and losses**

Our other gains and losses increased by approximately RMB67.1 million from gains of approximately RMB2.8 million to gains of approximately RMB69.9 million, which comprised mainly realised gain from changes in fair value of financial assets at fair value through profit or loss (“FVTPL”) of approximately RMB68.6 million, unrealised gain from change in fair value of financial assets at FVTPL of approximately RMB4.8 million, income from assets overage of approximately RMB15.7 million, loss on disposal of property, plant and equipment of approximately RMB1.0 million and unrealised exchange loss of approximately RMB18.0 million as a result of the translation of Australian dollars, Hong Kong dollars, Solomon Islands dollars and US dollars into Renminbi as at 31 December 2025, whereas for the year ended 31 December 2024, there were unrealised exchange gain of approximately RMB0.6 million as a result of the translation of Australian dollars and Hong Kong dollars into Renminbi.

## **Distribution and selling expenses**

Our distribution and selling expenses increased by approximately 178.4% from approximately RMB54.7 million for the year ended 31 December 2024 to approximately RMB152.3 million for the year ended 31 December 2025. The increase was mainly attributable to the increase in the railway and transportation fees, export duty and royalties as a result of the increase in the sales volume of gold concentrates and gold doré in our Gold Ridge Mine.

## **Administrative expenses**

Our administrative expenses increased by approximately 42.7% from approximately RMB133.8 million in 2024 to approximately RMB190.9 million in 2025. The increase was principally attributable to the increase in staff costs, depreciation and security incurred by Gold Ridge Mine and property insurance incurred by GRML to secure our operation in Gold Ridge Mine.

## **Finance costs**

Our finance costs decreased by approximately 36.6% from approximately RMB12.3 million in 2024 to approximately RMB7.8 million in 2025, primarily due to the decrease in bank borrowings.

## **Income tax expense**

Our income tax expense was approximately RMB599.8 million in 2025, consisting of PRC corporate income tax payable of approximately RMB48.6 million, Solomon Islands corporate income tax payable of approximately RMB363.7 million, Hong Kong profit tax payable of approximately RMB4.5 million, withholding tax payable of approximately RMB14.5 million, deferred tax liabilities of approximately RMB168.7 million and deferred tax credit of approximately RMB0.2 million. Our income tax expense was approximately RMB114.6 million in 2024, consisting of PRC corporate income tax payable of approximately RMB43.3 million, Solomon Islands corporate income tax payable of approximately RMB62.4 million, withholding tax payable of approximately RMB10.7 million and deferred tax credit of approximately RMB1.8 million.

The increase in our income tax expense for the year ended 31 December 2025 was primarily attributable to the significant rise in profit generated from our Gold Ridge Mine operations, which are subject to a 35% income tax rate under the Solomon Islands corporate income tax laws.

## **Profit for the year**

As a result of the foregoing, our profit after taxation increased by approximately 116.5% or approximately RMB805.4 million, from approximately RMB691.2 million for the year ended 31 December 2024 to approximately RMB1,496.6 million for the year ended 31 December 2025. The increase was mainly attributable to the increase in sales of gold doré and gold concentrates and their profits contribution from our Gold Ridge Mine.

Our net profit margin increased from approximately 36.9% for the year ended 31 December 2024 to approximately 47.3% for the year ended 31 December 2025. Such increase was mainly due to rise in revenue and profit generated from sales of gold doré and gold concentrates with high profit margin.

## **Profit attributable to owners of our Company**

The profit attributable to the owners of our Company increased by approximately 135.5% or approximately RMB779.6 million, from approximately RMB575.4 million for the year ended 31 December 2024 to approximately RMB1,355.0 million for the year ended 31 December 2025.

## **Analysis of property, plant and equipment and construction in progress**

As at 31 December 2025, the Group's property, plant and equipment and construction in progress were approximately RMB1,416.3 million, representing an increase of approximately RMB497.6 million or approximately 54.2% over last year mainly attributable to the purchase of mining and processing equipment and the construction of mining structures under our Gold Ridge Mine expansion plan.

## **Analysis of inventories**

Inventories consist of raw materials, ore, processed concentrates and gold doré. Raw materials mainly include forged steel grinding balls, explosives, chemical products and diesel oil used for the production of concentrates. As at 31 December 2025 and 2024, our inventories were approximately RMB333.2 million and approximately RMB174.7 million respectively. The increase in inventories was primarily attributable to higher levels of raw materials, loaded carbon and raw ore recorded during the year.

## **Analysis of trade receivables**

Trade receivables represent receivables from the sale of processed concentrates and gold doré. Our Group generally requests our concentrates customers in PRC to make a certain amount of down payment prior to delivery. For trade customers, our Group grants a credit period up to 60 days. Our trade receivables were approximately RMB272.5 million as at 31 December 2025, compared to approximately RMB164.8 million as at 31 December 2024. The increase in trade receivables as at 31 December 2025 was mainly due to sales of gold doré and gold concentrates in the Solomon Islands to customers with longer credit period as well as the overall increase in sales during the year.

## **Analysis of trade payables**

Trade payables mainly consist of payables in respect of (i) the purchase of forged steel grinding balls, cement and diesel oil and (ii) construction fee payable to our contractors. As at 31 December 2025 and 2024, our trade payables were approximately RMB111.1 million and approximately RMB92.8 million respectively. The trade payables as at 31 December 2025 included payable for the purchase of diesel oil of approximately RMB41.0 million, subcontracting fee payable to our contractors of approximately RMB26.6 million and drilling expenses of approximately RMB26.0 million in our Gold Ridge Mine.

## **Liquidity and capital resources**

Our liquidity requirements relate to funding working capital, capital expenditures and maintaining cash reserves, which are funded by a combination of bank borrowings and cash generated from operation.

Our Group had cash and cash equivalents of approximately RMB1,025.3 million as at 31 December 2025, compared to approximately RMB513.7 million as at 31 December 2024, of which approximately RMB620.9 million (2024: approximately RMB268.7 million) was denominated in Hong Kong dollars, Australian dollars, Solomon Islands dollars and US dollars. Such increase in bank balances and cash was mainly attributable to the increase in cash generated from operation from Gold Ridge Mine and proceeds from the placing completed during the year.

As at 31 December 2025, the Group recorded net assets of approximately RMB5,177.6 million (2024: approximately RMB3,453.3 million) and net current assets of approximately RMB3,027.1 million (2024: net current assets of approximately RMB1,864.5 million). The current ratio of the Group as at 31 December 2025 was 5.24 times as compared to 4.78 times as at 31 December 2024. The increase in net current assets were attributable to the increase in bank balances and proceeds from placing which are included in financial assets at fair value through profit or loss.

## Borrowings

As at 31 December 2025, the Group had secured bank borrowings of approximately RMB88.6 million and unsecured bank borrowings of approximately RMB40.0 million (2024: secured bank borrowings of approximately RMB110.7 million and unsecured bank borrowings of approximately RMB150.0 million) in aggregate with maturity from one year to two years and effective interest rate of approximately 4.41%.

## Gearing Ratio

The Group's gearing ratio (representing total bank borrowings and payables to former non-controlling shareholder of a subsidiary divided by total assets) amounted to approximately 2.8% (2024: approximately 7.7%). The decrease in gearing ratio was mainly attributable to the increase in bank balances and cash and financial assets at FVTPL of approximately RMB1,537.5 million.

## Capital Expenditure

The total capital expenditure of the Group increased from approximately RMB186.3 million for the year ended 31 December 2024 to approximately RMB804.4 million for the year ended 31 December 2025, representing an increase of approximately 331.8%. The capital expenditure in 2025 was primarily incurred from the purchase of mining and processing equipment and construction of mining structures at the Xinzhuang Mine and Gold Ridge Mine. Increase in capital expenditure was mainly attributable to the construction of a new 10 million tpa processing plant in our Gold Ridge Mine.

## Contractual Obligations and Capital Commitment

As at 31 December 2025, the Group's capital commitments amounted to approximately RMB4.0 million, which was attributable to the development of the Xinzhuang Mine.

	<i>RMB'000</i>
Three new shafts projects	616
Upgrading the processing plants	2,950
Other civil work	462
	<hr/>
	4,028
	<hr/> <hr/>

As at 31 December 2025, the Group also entered the following commitments in relation to the development of the Gold Ridge Mine.

	<i>RMB'000</i>
Mining structures	1,278,515
Mining and processing equipment	264,970
	<hr/>
	1,543,485
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## **Contingent Liabilities**

As at 31 December 2025, the Group did not have any material contingent liabilities or guarantees.

## **Significant Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures**

Save as disclosed in this announcement, the Group had no significant investments, or material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

## **Future Plan for Material Investments and Capital Assets**

Save as disclosed in this announcement, the Group does not have any plan authorised by the Board for material investments or additions of capital assets as at the date of this announcement.

## **Charge on Group Assets**

As at 31 December 2025, the Group's right-of-use-assets and buildings with carrying value of approximately RMB51.9 million (31 December 2024: right-of-use-assets and buildings of approximately RMB55.9 million) were pledged to secure the Group's bank borrowings.

## **Exposure to Fluctuations in Exchange Rates**

The Group's businesses are located primarily in the PRC and most of the transactions are conducted in Renminbi. Except for the Group's certain bank balances and cash, other receivables and other payables are denominated in Hong Kong dollars, Australian dollars, Solomon Islands dollars and US dollars, the majority of the Group's assets and liabilities are denominated in Renminbi.

As Renminbi fluctuates against Hong Kong dollars and Australian dollars in a limited extent during the year 2025, the Group had no material adverse exposure to foreign exchange fluctuations during the year 2025.

## **Interest Rate Risk**

Our bank borrowings are denominated in Renminbi and Hong Kong dollars borrowed from domestic commercial banks at interest rates that are determined by reference to the benchmark interest rates set by the PBoC and Hong Kong Interbank Offered Rate (“**HIBOR**”) respectively. Interest rates on our bank loans are subject to adjustments by our lenders in accordance with changes in the PBoC benchmark rates and HIBOR. We are exposed to interest rate risk resulting from changes in interest rates on our short-term and long-term bank borrowings. Increases in benchmark interest rates will increase the interest rates on our bank loans. Increases in interest rates will increase our expense on outstanding borrowings and the cost of new borrowings, and therefore could have a material adverse effect on our financial results. We have not used any interest rate swaps or other derivatives to hedge against interest rate risk.

## **Financial Instruments**

The Group's major financial instruments include trade and other receivables, financial assets at FVTPL, bank balances and cash, trade and other payables, amounts due to related parties, consideration payable to a former non-controlling shareholder of a subsidiary and bank borrowings.

## **FINAL DIVIDEND**

The Board recommended the payment of a final dividend of RMB10.10 cents (equivalent to approximately HK\$11.20 cents) per Share for the year ended 31 December 2025 (2024: RMB14.50 cents per Share or RMB3.625 cents per share after share subdivision) and a special dividend of RMBnil cents per share for the year ended 31 December 2025 (2024: RMB7.50 cents per Share or RMB1.875 cents per share after share subdivision), representing approximately 33.0% of the profit and total comprehensive income attributable to owners of the Company, payable to the Shareholders whose names appear on the register of members of the Company on Friday, 26 June 2026. Based on the number of issued Shares as at the date of this announcement, this represents a total distribution of approximately RMB447.0 million. Subject to the approval of the payment of the final dividend and special dividend by the Shareholders at the annual general meeting to be held on Friday, 5 June 2026, it is expected that the proposed final dividend and special dividend will be paid on or before Friday, 31 July 2026.

As at the date of this announcement, the Company holds no treasury share (including any treasury shares held or deposited with Central Clearing and Settlement System) or repurchased shares pending cancellation.

## **ANNUAL GENERAL MEETING**

The 2026 annual general meeting (the "AGM") of the Company will be held on Friday, 5 June 2026. A notice convening the AGM will be published and despatched to the Shareholders in accordance with the requirements of the articles of association of the Company and the Listing Rules in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

To ascertain the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 1 June 2026.

The final dividend and special dividend are payable to the Shareholders whose names appear on the register of members of the Company at close of business on Friday, 26 June 2026. For determination of entitlement to the final dividend and special dividend, the register of members of the Company will be closed from Wednesday, 24 June 2026 to Friday, 26 June 2026, both days inclusive. In order to qualify for the proposed final dividend and special dividend, all share certificates with the properly completed transfer forms, either overleaf or separately, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 23 June 2026.

## EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

### Xinzhuang Mine

#### *Mineral exploration*

During 2025, the exploration activities in the Xinzhuang Mine was within 4-29 exploration line. We have completed underground geological drilling of 26,181 m, with drill size of 60-108 mm for the year ended 31 December 2025. We have also finished tunnel drilling of 1,431 m and completed adit mapping of 2,607 m. For the year ended 31 December 2025, approximately RMB1.2 million was incurred for the mineral exploration.

#### *Development*

During 2025, Xinzhuang Mine incurred development expenditure of approximately RMB31.5 million. Detailed breakdown of development expenditure is as follows:

	<i>RMB'</i> <i>(million)</i>
Mining structures	16.3
Machinery and electronic equipment for processing plants	14.8
Motor vehicles	0.4
	<hr/>
	31.5
	<hr/> <hr/>

#### *Mining activities*

During 2025, we processed a total of 1,104,189 tonnes of ore in the Xinzhuang Mine. The following table shows the volume of our concentrates products sold during 2025.

<b>Type of concentrates sold</b>	<b>Volume</b>
Copper in copper concentrates	4,107 Tonnes
Iron concentrates	57,083 Tonnes
Zinc in zinc concentrates	4,191 Tonnes
Sulfur concentrates	293,087 Tonnes
Lead in lead concentrates	1,216 Tonnes
Sulfur and iron concentrates	69,811 Tonnes
Gold in copper concentrates	51 Kg
Silver in copper concentrates	4,054 Kg
Gold in zinc concentrates	6 Kg
Gold in lead concentrates	80 Kg
Silver in lead concentrates	3,135 Kg
Copper in lead concentrates	128 Kg

During 2025, the incurred expenditures for mining and processing activities were approximately RMB152.1 million (2024: approximately RMB148.2 million) and approximately RMB132.8 million (2024: approximately RMB118.3 million) respectively. The unit expenditures for mining and processing activities were approximately RMB137.8/t (2024: approximately RMB136.3/t) and approximately RMB120.3/t (2024: approximately RMB108.8/t) respectively. The increase in unit expenditure for processing activities was mainly attributable to the recognition of share-based payment expenses arising from the grant of share options to certain employees, which were allocated to processing costs.

## **Walege Mine**

The Group owns 51% equity interest of Xizang Changdu, which in turn owns the Walege Mine in which the Group can conduct both open-pit and underground mining. The Group is in the progress of converting its exploration license to mining license.

### ***Mineral exploration***

No mineral exploration was conducted in 2025. During 2025, the main activities were the license maintenance as well as various activities in connection with conversion of exploration license to mining license.

### ***Development***

During 2025, Walege Mine incurred development expenditure of approximately RMB2.1 million mainly in respect of conversion of exploration license to mining license, including completion and review by experts in respect of the environmental impact assessment report and pending for submission, initiation of green mine construction programme, organizing panel review and revision etc.

### ***Mining activities***

Since the Walege Mine is still at a development stage, no mining activity has taken place during the year ended 31 December 2025.

## **Gold Ridge Mine**

### ***Mineral exploration***

In 2025, there were a total of 1,071 holes drilled with total 124,478.66 m in Valehaichichi, Charivunga, Kupers and Dawsons deposits at the Gold Ridge Mine, comprising:

- a) 85 core drill holes with 41,158.98 m;
- b) 986 reverse circulation drill holes with 83,319.68 m;

We obtained:

- 1) The CVG section exhibits generally continuous ore bodies. Deep gold mineralisation extends southwards from Line 6 (vertical coordinate 40150) to near Line 12. The ore body remains open-ended, with mineralisation showing potential for further southwestward extension.
- 2) The base Analysis of drill hole data from the central CVG section and southern DAW section has revealed the base interface of gold mineralisation at depth, namely the contact between volcanic breccia and basalt. Mineralisation diminishes markedly below this interface, indicating this contact zone constitutes the primary regional base control for mineralisation.
- 3) Control Status of Ore Bodies in the Western Section of the DAW Deposit

The shallow ore bodies in the western section of the DAW deposit (predominantly oxidised and mixed ores) have largely been engineered for control, with ore bodies primarily occurring above the 400m elevation. During the 2025 exploration campaign, a new gold mineralised zone was discovered at elevations between 100–200m in the deeper part of this section, where limited drilling has now established engineering control. This mineralised zone measures approximately 30–80m thick with an average gold grade of about 1.0g/t, indicating potential for further exploration. Denser drilling is required for verification.

- 4) Drilling Status in Northern Area

Limited drilling effort was directed towards the area north of the CVG section this year. Existing data indicates the mineralised base gradually shallows towards the north.

In 2025, expenditure of mineral exploration was approximately RMB71.9 million. The expenditure includes direct drilling cost, energy cost and assay cost.

### ***Development***

In 2025, the Gold Ridge Mine incurred development expenditure of RMB669.0 million mainly in respect of the construction of the tailings dry stacking facility, gold room refurbishment and flotation plant upgrade and tailings discharge pipe works.

Detailed breakdown of development expenditure is as follows:

	<i>RMB'</i> <i>(million)</i>
Mining structures	398.2
Machinery and electronic equipment for processing plants	181.9
Motor vehicles	88.9
	<hr/>
	669.0
	<hr/> <hr/>

## ***Mining activities***

Gold Ridge Mine commenced heap leach plant trial production in August 2022, and flotation plant trial production from 1 January 2023. It has continued to ramp up to its designed production capacity during 2025.

In 2025, the flotation plant processed a total of 3,001,521 tonnes of ore and produced approximately 66,171 dry metric tonnes of gold concentrates (with an average grade of around 19.4 g/t). Knelson gravity circuit and heap leach plant produced 2,513.60 kg of gold doré (averaging 80.88% gold), which were sold to a famous refinery in Australia in 2025.

For 2025, upon completing Knelson gravity circuit and flotation plant upgrade, we expect to achieve a higher sales of gold doré and gold concentrates.

The following table sets forth the volume of respective products sold from the Gold Ridge Mine during 2024 and 2025:

Type of concentrates sold	2025		2024	
	Volume	Contained gold (kg)	Volume	Contained gold (kg)
Gold Doré ( <i>kg</i> )	2,273.60	1,828	1,573.68	1,261
Gold Concentrates ( <i>tonnes</i> )	<u>57,860.90</u>	<u>1,101</u>	<u>44,418.20</u>	<u>1,110</u>
		<u>2,929</u>		<u>2,371</u>

The following table sets forth the volume of ores mined and processed at the Gold Ridge Mine during 2024:

	2025	2024
	Volume	Volume
	( <i>tonnes</i> )	( <i>tonnes</i> )
Volume of ore mined	3,355,335	2,713,310
Volume of ore processed	<u>3,001,521</u>	<u>2,281,468</u>

During 2025, Gold Ridge Mine incurred expenditures for mining and processing activities of approximately RMB238.1 million (2024: RMB230.1 million) and RMB244.2 million (2024: RMB257.7 million) respectively. The unit of expenditures for mining and processing activities were approximately RMB71.0/t (2024: RMB84.8/t) and RMB81.4/t (2024: RMB113.0/t) respectively. The decrease in unit expenditure for processing activities was primarily attributable to the reduction in flotation costs, reflecting improved efficiency in processing operations during the year.

## **PROSPECT**

We intend to continue to grow our business into a leading non-ferrous mining company in the PRC and South Pacific region through the following major strategies.

### **Growing production at our mine and outsourcing our mining works**

The scale of our production operation in the Xinzhuang Mine has increased our targeted mining capacity and processing capacity of 600,000 tpa by the end of 2014 and is now at the final stage of upgrading the mining capacity to 900,000 tpa. To minimise costs, we will continue to outsource our underground mining works to third-party contractors.

### **Horizontal expansion through future acquisitions of new mines**

We intend to further expand our mineral resources and ore reserves through the acquisitions of new mines. We will consider and balance assessment criteria carefully in respect of our acquisition targets, in order to pursue acquisitions prudently with a view to further grow our business and maximise returns to the Shareholders

## **OUTLOOK**

The restructuring of the global order and the weakening of the US dollar's creditworthiness are emerging as the primary drivers of precious metal prices. With US federal debt surpassing US\$38 trillion, the pressure of debt monetisation continues to erode the dollar's credibility. The excessive use of financial sanctions following the Russia-Ukraine conflict has further accelerated the diversification of foreign exchange reserves by non-US central banks. IMF data indicates that by the second quarter of 2025, the dollar's share of global foreign exchange reserves will have fallen to 56.32%, marking a 30-year low.

The Federal Reserve cut interest rates by a cumulative 150 basis points between 2024 and 2025, with the US Dollar Index falling 10.8% over the year and breaching the 100 threshold. Historical data confirms a pronounced inverse correlation between the US Dollar Index and precious metal prices: for every 1% decline in the dollar, London gold and copper prices rise by an average of 0.8% to 1.2%. During the initial phase of rate-cutting cycles (the six months following the first cut), gold typically surges by over 25%, with silver exhibiting even greater elasticity. Against this backdrop, both gold and silver see their dual roles as hedges and monetary assets reinforced, establishing them as core assets for mitigating risks within the fiat currency system.

Among these, the People's Bank of China's gold purchases stand out as particularly significant: by the end of November 2025, its gold reserves had reached 74.12 million ounces (approximately 2,305.39 tonnes), marking 13 consecutive months of accumulation. Compared to the global average of 15% of foreign exchange reserves allocated to gold, China's current proportion of 5.96% still offers considerable room for growth, with a clear long-term trend towards continued accumulation.

From the current perspective, the rationale behind the rise in precious and industrial metals continues to garner broad consensus among most institutions.

Views from both domestic and international institutions indicate that Goldman Sachs, JPMorgan, GF Securities, and CITIC Securities have all expressed bullish outlooks on the non-ferrous metals sector.

## COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has complied with the PRC laws relating to the mineral industry such as Mineral Resources Law of the PRC, the Rules for Implementation of the Mineral Resources Law, the Procedures for the Registration of Mining and Mineral Resources and adopted other practices to ensure adherence to applicable legal and regulatory requirements in our PRC operation. The Group is also governed by the Mines and Minerals Act (including its associated amendments and regulations) and the National Minerals Policy as published by the Ministry of Mines, Energy and Rural Electrification for our Solomon Islands operation. Other laws and regulations are also of relevance to the Group by nature of its mining operations, such as the Explosives Act and Environment Act, as well as the Companies Act and the Labour Act. The Board reviews and monitors regularly the Group's policies and practices on compliance with legal and regulatory requirements. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and senior management from time to time.

In addition, as a company listed on the Main Board of the Stock Exchange, the Company is subject to, among others, the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission, the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). To the best knowledge of the Directors, the Company has complied with the relevant laws and regulations during the year ended 31 December 2025.

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to protect the interests of the Shareholders. The Company's corporate governance practices are based on principles, code provisions and certain recommended best practices as set out in the Corporate Governance Code (the “**CG Code**”) in Appendix C1 (formerly Appendix 14) to the Listing Rules. Throughout 2025, the Company had complied with all applicable code provisions of Part 2 of the CG Code, except for the deviation from code provisions C.2.1 and C.2.7 as described below.

Mr. Gao Mingqing, in addition to his duties as the chairman of the Board (the “**Chairman**”), is also responsible for the strategic planning and overseeing all aspects of the Group's operations as the Chief Executive Officer of the Company. This constitutes a deviation from code provision C.2.1 of the CG Code. Mr. Gao Mingqing as one of the founders of the Group has extensive experience and knowledge in the core business of the Group and his duties of overseeing the Group's operations are clearly beneficial to the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group.

According to code provision C.2.7 of the CG Code, the Chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors. During the year, the Chairman did not hold any meeting with the independent non-executive Directors without other Directors present. Nevertheless, from time to time, the independent non-executive Directors express their views directly to the Chairman via other means including correspondences and emails.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 (formerly Appendix 10) to the Listing Rules (the “**Model Code**”). Having made specific enquiries with all Directors, the Company confirmed that all Directors have complied with the Model Code and the required standards of dealings as set out in the code of conduct for the year ended 31 December 2025 and up to the date of this announcement.

The Company has also established written guidelines on terms no less exacting than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by relevant employees who are likely to possess inside information of the Company. No incident of non-compliance with the Employees Written Guidelines by the relevant employees was noted by the Company for the year ended 31 December 2025.

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

For the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares, if any).

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year as approved by the Board of Directors on 18 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **AUDIT COMMITTEE**

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Tsang Wai Hung (chairman of the Audit Committee), Mr. Wong Chi Ming Ming and Mr. Wang Xin. The purpose of the establishment of the Audit Committee is for reviewing and supervising the financial reporting process, risk management and internal control system of the Group. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 December 2025 and considered that they were prepared in compliance with the relevant accounting standards, and that the Company has made appropriate disclosure thereof.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.wgmine.com](http://www.wgmine.com). The 2025 annual report of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the above websites in due course.

By Order of the Board  
**Wanguo Gold Group Limited**  
**Gao Mingqing**  
*Chairman*

Hong Kong, 18 March 2026

*As at the date of this announcement, the Board comprises Mr. Gao Mingqing (Chairman), Ms. Gao Jinzhu, Mr. Liu Zhichun, Mr. Wang Guobiao and Mr. Wang Lixin as executive Directors; Mr. Wang Renxiang as a non-executive Director; and Mr. Tsang Wai Hung, Mr. Wong Chi Ming Ming and Mr. Wang Xin as independent non-executive Directors.*