



罕王黃金國際有限公司

HANKING GOLD INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 03788



ANNUAL REPORT 2025

CORE VALUE

People-first and
Business Integrity

PRINCIPLE

Safety,
Harmony and Green



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PRESIDENT'S STATEMENT

Dear Shareholders,

On behalf of the Board of Hanking Gold International Limited, I am pleased to present to you the annual report of the Group for the year ended 31 December 2025.

A TRANSFORMATIONAL YEAR MARKED BY STRATEGIC CLARITY

The year 2025 was a pivotal and transformational year for the Group. Against a backdrop of heightened global uncertainty but structurally supportive gold market fundamentals, the Board undertook a comprehensive review of the Group's strategic positioning, asset base, and long-term value creation pathway. Following careful consideration, we made a decisive strategic choice: **to focus the Company's technical and management expertise, and financial resources on the development of our gold business to become a middle-tier gold producer.**

We firmly believe that accelerating our transition into a gold producer at the Group level will enable us to unlock greater long-term value for the Shareholders, better align capital allocation with resource potential, and enhance strategic execution efficiency. This strategic realignment allows us to focus our financial, technical and managerial resources on the rapid development of our Australian gold assets, while maintaining stable cash flow support from our established iron ore and high-purity iron businesses.



PRESIDENT'S STATEMENT

HIGH VALUE AND HIGH GROWTH GOLD BUSINESS

The Group has over a decade of operational and management experience in gold projects in Australia, having successfully developed and operated multiple gold projects. During the year, we achieved major milestones across our two core Australian gold projects — **Mt Bundy** and **Cygnnet**.

At **Mt Bundy** project, the updated definitive feasibility study has significantly enhanced project robustness. Based on conservative assumptions, the project demonstrates a longer mine life, increased total gold production, and optimised operating costs. Importantly, all key regulatory approvals, including mining licences and environmental permits, have been secured, and the Group has obtained sufficient equity financing to support project development. Preparatory works have commenced, with construction of the processing plant and supporting infrastructure scheduled to begin in the third quarter of 2026, and first gold production targeted for the first quarter of 2028.

At **Cygnnet** project, the completion of the Phase I pre-feasibility study marked a critical step forward. The project has now been consolidated into a scalable, district-level gold system following the acquisition of the Corinthia deposit. Ongoing drilling continues to demonstrate strong exploration upside, and we remain confident that further optimisation and resource expansion will materially enhance project economics prior to final investment decision.

As a result of these advances, the Group's **JORC Code gold reserves increased by over 50% to approximately 2.62 million ounces**, while total gold resources expanded to approximately **5.54 million ounces**, significantly strengthening our development pipeline and long-term production profile.

STABLE PERFORMANCE FROM IRON ORE AND HIGH-PURITY IRON BUSINESSES

While advancing our international gold strategy, the Group continued to benefit from the resilience and cash-generating capacity of its iron ore and high-purity iron operations in China.

Despite softer commodity pricing, our iron ore business maintained stable production underpinned by high-grade resources, industry-leading product quality and disciplined cost control. Unit cash operating costs declined for the third consecutive year, reinforcing our low-cost operating advantage.

Our high-purity iron business achieved a particularly notable turnaround in 2025, returning to profitability on the back of improved operational efficiency, lower input costs and expanded customer penetration. Leveraging our strong position in premium ductile iron products and the growing demand from the renewable energy sector, we recorded robust volume growth while continuing to upgrade production facilities and environmental performance.

Collectively, the Group's domestic operations delivered steady revenue and profitability, providing a solid financial foundation to support our gold development strategy.

PRESIDENT'S STATEMENT

CAPITAL STRENGTHENING AND CORPORATE RESTRUCTURING

To support our strategic transformation, the Group successfully completed multiple equity financing transactions during the year, significantly enhancing balance sheet strength and funding visibility. At the same time, we completed a series of corporate restructuring initiatives, including the acquisition of minority interests in our Australian gold subsidiaries and thereby simplifying ownership structure. To support our strategic goal of becoming a middle-tier gold producer, share options were issued to key staff of the gold business, improving alignment of interests and attracting new talents.

In February 2026, following approval by the Shareholders, the Company was officially renamed “**Hanking Gold International Limited**”, reflecting our strategic focus and growth ambition as an emerging mid-tier gold producer. During the same period, the Board strengthened senior management leadership to drive the next phase of the Group’s development.

LOOKING AHEAD

Looking forward, the Board remains cautiously optimistic about the Group’s prospects. While metal prices and operating conditions will inevitably fluctuate, we believe the fundamentals of the gold market remain supportive, and the Group is well positioned to capitalise on this cycle through disciplined execution and prudent risk management.

Our priorities in 2026 are clear:

- advance Mt Bundy mine construction safely, on schedule and within budget;
- continue to unlock value at Cygnet project through exploration, optimisation and permitting;
- maintain stable and efficient operations of the iron ore and high-purity iron businesses to underpin financial resilience of the Group; and
- uphold the highest standards of corporate governance, sustainability and stakeholder engagement.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to the Shareholders for their continued trust and support, to our employees for their dedication and professionalism, and to our partners and stakeholders for their collaboration. Together, we are building a stronger, more focused and future-ready Hanking Gold.

We look forward to progressing steadily on our strategic journey and delivering sustainable, long-term returns for our Shareholders.

Yours sincerely,

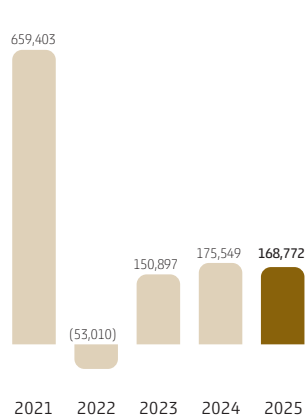
Dr. Qiu Yumin

Executive Director, Chief Executive Officer and President
Hanking Gold International Limited

FINANCIAL HIGHLIGHTS

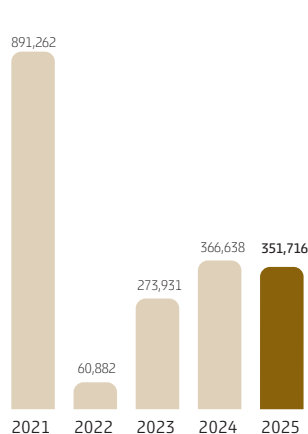
168,772 ↓ 3.86%

Profit(Loss) for the year
(RMB'000)



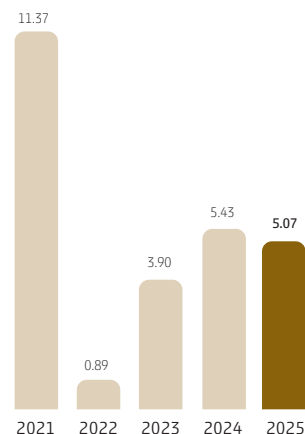
351,716 ↓ 4.07%

Profit before interest and tax
(RMB'000)



5.07 ↓ 6.63%

Interest coverage ratio



RMB'000, except for percentages	2021	2022	2023	2024	2025
Revenue	3,126,648	2,601,833	3,028,155	2,484,150	2,559,504
Profit(Loss) for the year	659,403	(53,010)	150,897	175,549	168,772
EBITDA	1,117,318	240,812	468,952	512,316	506,866
Profit before interest and tax	891,262	60,882	273,931	366,638	351,716
Assets	3,810,909	3,362,804	3,614,559	3,591,948	4,039,663
Liabilities	2,242,637	2,081,468	2,164,002	2,150,346	2,099,716
Gearing ratio	58.85%	61.90%	59.87%	59.87%	51.98%
Net gearing ratio ¹	26.46%	39.85%	31.96%	31.21%	24.81%
Interest coverage ratio ²	11.37	0.89	3.90	5.43	5.07
Capital expenditure	234,146	124,157	218,120	139,793	227,400
Return on net assets ³	48.27%	(3.72%)	11.05%	12.14%	9.98%
Return on total assets ⁴	18.65%	(1.48%)	4.33%	4.87%	4.42%
Profit(Loss) per Share (RMB)	0.34	(0.03)	0.08	0.09	0.09
Cash dividends	225,924	237,848	35,980	71,651	35,851

¹ Net gearing ratio is calculated by dividing net borrowings and bills payables net of borrowings and bills deposits as well as bank balance and cash by total equity.

² Interest coverage ratio is calculated as the profit (loss) before interest and tax divided by finance costs.

³ Return on net assets is calculated as the profit (loss) for the year divided by average net assets.

⁴ Return on total assets is calculated as the profit (loss) for the year divided by average total assets.

SUMMARY OF THE COMPANY'S BUSINESS

Hanking Gold International Limited (formerly known as China Hanking Holdings Limited) was incorporated in the Cayman Islands on 2 August 2010, and was listed on the Hong Kong Stock Exchange on 30 September 2011 (stock code: 03788).

The Group upholds the core value of “people-first and business integrity”, adheres to the principles of “safety, harmony and green”, and strives to perform the enterprises’ social responsibilities.

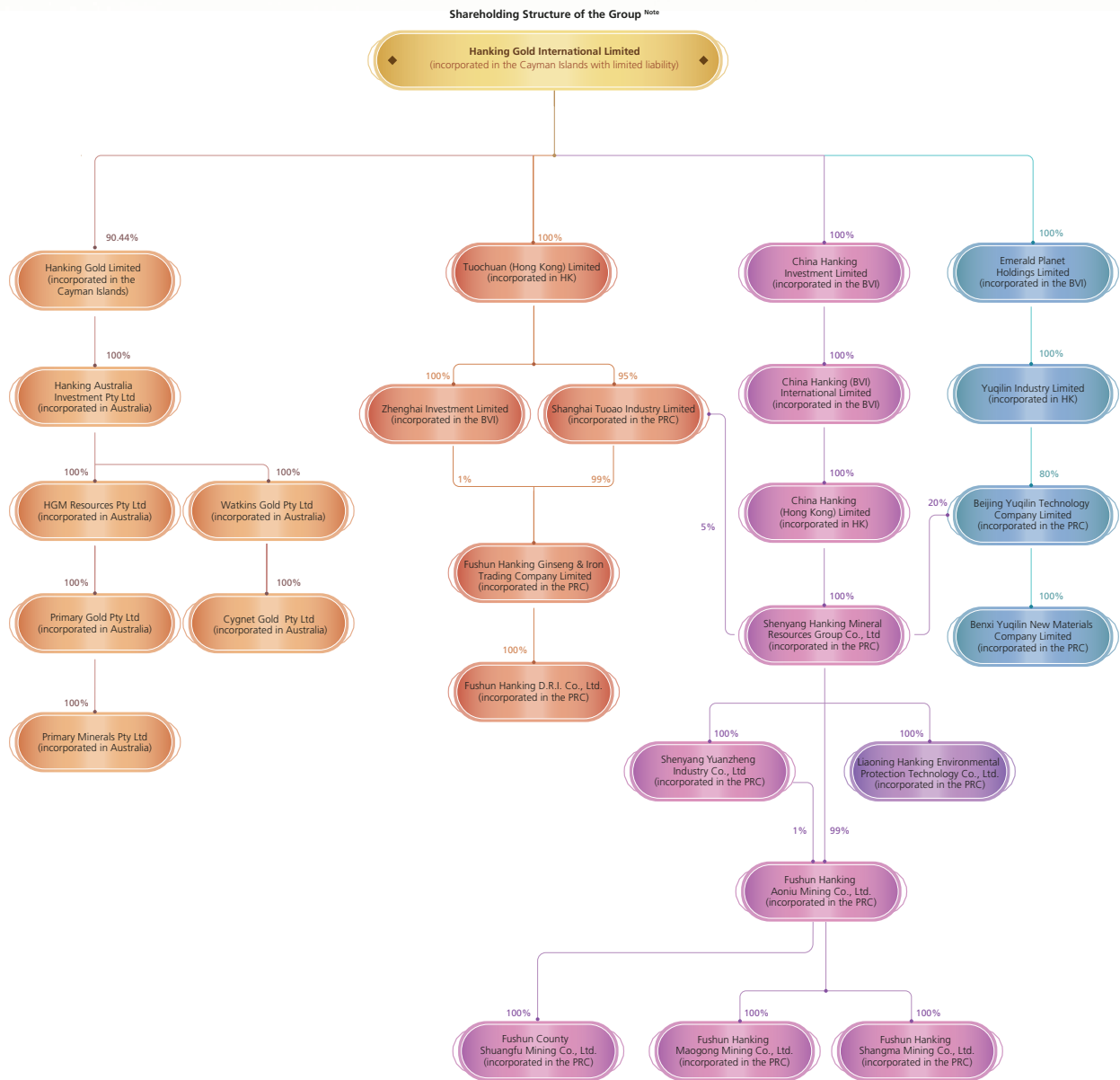
- **GOLD BUSINESS IN AUSTRALIA**

A team has been assembled by the Company in Australia since 2010, and the then subsidiary of the Company in Australia was established in 2011, which is headquartered in Perth, the capital of Western Australia. Over the last 10 years, by completing the complete closed loop of acquisition, resource exploration, relaunched production and operation, and capitalization in respect of SXO Gold Project, Hanking Australia has developed a gold mining and operation team with outstanding performance and applied its experience to the existing gold projects, in an effort to create maximum value for the Shareholders.

- **IRON ORE AND HIGH-PURITY IRON BUSINESS IN CHINA**

Thanks to the advantages of its own high-quality iron ore resources and unique technical process, the average grade of iron ore concentrate produced by the Company is over 69%. Due to the minimal impurity contents of sulfur, phosphorus and titanium, together with the technical advantages accumulated over the years, high-purity iron products smelted by the Company enjoy strong corrosion resistance and high tensile strength, thereby well meeting the casting requirements of major equipment in wind power, marine engineering and other sectors. Therefore, the Company’s iron ore and high-purity iron business in China provide high-quality raw materials for clean energy wind power component casting enterprises.

SUMMARY OF THE COMPANY'S BUSINESS



^{Note} This shareholding structure chart only sets out the principal subsidiaries of the Group as at 31 December 2025.



MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

I. OPERATION REVIEW

1. Strategic implementation adjustment and value enhancement of the Company

In July 2025, the Company proposed to spin-off and separately list its gold business on the main board of the Hong Kong Stock Exchange by way of introduction, aiming to raise funds as soon as possible to commence the construction of the Cygnet Gold Project. Subsequently, the Company made significant progress in technology, corporate and financing aspects of the gold business. In January 2026, the Company conducted a comprehensive assessment of its gold business. After careful consideration, it was concluded that the earlier the Company becomes a gold producer, the greater value it will create for Shareholders. Therefore, the Company adjusted its strategic implementation by terminating the originally proposed spin-off listing plan, and instead using the Company itself as the platform to develop its gold business. This involves concentrating human and financial resources to fully support the development and commissioning of the Mt Bundy Gold Project, with the target of achieving first gold pour in the first quarter of 2028.

2. Stable domestic business operations

In 2025, the production and operations of the Company's two domestic business segments remained stable, and the production and sales volume of iron ore concentrate and high-purity iron exceeded the annual budget. However, affected by the overall market conditions, average selling prices per metric ton of product were lower than those of corresponding period of last year. Revenue of the two business segments in 2025 still reached RMB2,558,581,000, representing a year-on-year increase of 3.16%; profit before tax was RMB342,167,000, representing a year-on-year increase of 5.33%. Of which, the high-purity iron business turned profitable in 2025, recording a profit before tax of RMB15,011,000 (the corresponding period of last year: loss before tax of RMB78,174,000).

3. Increase in resources and reserves

Following the completion of the Stage 1 pre-feasibility study (PFS) for the Cygnet Gold Project and the updated definitive feasibility study (DFS) for the Mt Bundy Gold Project, and subsequent assessments by independent experts from SRK China in accordance with the JORC Code, the Company's JORC gold reserves increased by 53.1% to 2.62 million ounces, and JORC gold resources increased to 5.54 million ounces. Additionally, the Company obtained a renewed mining license for the Shangma Mine during the year. Approximately 79.76 million metric tons of newly explored iron ore resources, previously identified under the exploration license through the Company's self-conducted exploration, have been included in the renewed mining license. Consequently, the Company's JORC iron ore reserves increased by approximately 34.21 million metric tons. These increases in resources and reserves further expand the Group's minable reserves and strengthened the foundation for the Group's sustainable development in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

II. INDUSTRY OVERVIEW

According to the World Gold Council, record-breaking investment demand and sustained high-level central bank gold purchases formed dual core drivers that pushed total annual global gold demand (including over-the-counter transactions) to 5,002 metric tons in 2025, a slight year-on-year increase of 0.5%, marking a second consecutive year of record highs. Although the pace of global central bank gold purchases moderated in 2025 compared to the high intensity level averaging over 1,000 metric tons annually over the previous three years, it remained firmly in a historically high range. Net purchases by official institutions for the year stood at 863 metric tons, providing solid underlying support for the global gold market. In 2025, the average annual price of London gold spot climbed to US\$3,431/ounce, a substantial year-on-year increase of 43.8%, peaking at US\$4,584/ounce. The record-high gold price resonated with steadily growing physical and investment demand, propelling the total value of global gold demand in 2025 to surge to US\$555,000 million, a year-on-year increase of 45.3%. Looking ahead to 2026, the gold market is expected to continue its core theme of “high-level fluctuations with a structural upward trend”. Potential upward momentum primarily stems from factors such as “de-dollarization”, escalating geopolitical conflicts, expectations of the start of a Federal Reserve interest rate cut cycle, and the normalization of global central bank gold purchases. Short-term constraining factors mainly include technical correction pressure following cumulative gold price increases, the possibility of Federal Reserve interest rate cut being less than market expectations, and a rebound in risk appetite driven by a potential stronger-than-expected global economic recovery. These multiple factors will collectively dominate the pattern of gold price fluctuations during the year.

According to the data of Mysteel, the imported iron ore price in 2025 exhibited a trend of “increase – decrease – rebound and high-level fluctuations”. The average price of 62% of Australian Iron Ore Index of iron ore was US\$101.78/dry metric tons, a decrease of US\$7.39/dry metric tons or 6.77% compared to the average annual price in 2024. According to the data from the National Bureau of Statistics, the domestic production of raw iron ore in 2025 was 984 million metric tons, a year-on-year decrease of 5.59%. China imported a total of 1,259,000,000 metric tons of iron ore in 2025, a year-on-year increase of 1.84%. Meanwhile, the domestic production of pig iron and raw steel continued to decline year-on-year in 2025, marking a second consecutive year of decline. Looking ahead to 2026, global iron ore mines continue to be in a period of capacity and production expansion, and the global supply of iron ore is expected to maintain an increasing trend. On the demand side, total global demand for iron ore is expected to witness modest growth, with overseas markets becoming the primary source of incremental demand, while Chinese demand enters a plateau phase or even experiences a slight decline. The iron ore market is expected to enter a phase of relatively ample supply in 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Data on domestic iron ore production and import volume

Year	2021	2022	2023	2024	2025
Raw iron ore (domestic) output (100 million metric tons) ^{Note 1}	9.8053	9.6787	9.9056	10.4194	9.8372
Iron ore fines and its concentrate (import) output (100 million metric tons) ^{Note 2}	11.2432	11.0686	11.7906	12.3600	12.5871

Notes:

1. Data from National Bureau of Statistics.
2. Data from Monthly Statistics of the General Administration of Customs.

According to statistics from the National Energy Administration, China's cumulative installed wind power capacity reached 640 million kilowatts by the end of 2025, representing a year-on-year increase of 22.9%; newly installed wind power capacity surged to 120 million kilowatts, up by 51% year-on-year, with onshore wind power increased by 110 million kilowatts and offshore wind power increased by 6.59 million kilowatts. In 2025, the cumulative grid-connected installed capacity of wind and solar power reached 1,840 million kilowatts, accounting for 47.3% of the total, historically surpassing that of thermal power. Looking ahead to 2026, new energy is expected to maintain a significant commissioning volumes under the national "dual carbon" goals. According to deployment of the National Energy Work Conference for 2026, the planned newly installed capacity for wind and solar power in 2026 is over 200 million kilowatts. Driven by policy and market forces, China's wind power industry is expected to encounter unprecedented development opportunities in 2026, with demand for wind power components expected to achieve both volume and price increases.

MANAGEMENT DISCUSSION AND ANALYSIS

III. STRATEGIC IMPLEMENTATION ADJUSTMENT – FOCUSING ON GOLD BUSINESS IN AUSTRALIA

Since 2011, the Company has successfully managed and operated four gold projects in Australia: SXO, Coolgardie, Mt Bundy and Cygnet. However, the Company sold the SXO and Coolgardie Gold Projects in 2017 and 2021 respectively due to limited financial resources, which constrained the development pace of the Company's gold business. Consequently, the Company aims to raise funds as soon as possible to commence the construction of the Mt Bundy Gold Project and Cygnet Gold Project in Australia. In line with this plan, the Group completed the following financing and strategic implementation adjustment in 2025 and up to the date of this report:

1. Financing in 2025

- (1) On 22 September 2025 (after trading hours), the Company entered into subscription agreements with subscribers (i) Zijin Global Fund; and (ii) Gold Mountains (H.K.) International Mining Company Limited (金山(香港)國際礦業有限公司), pursuant to which the subscribers conditionally agreed to subscribe for an aggregate of 75,000,000 Shares of the Company at the subscription price of HKD3.13 per subscription share. The gross proceeds of the subscription amounted to approximately HKD234.75 million, and the net proceeds are approximately HKD231.67 million. The Company intends to use the net proceeds from the subscription, together with its own capital, to support Hanking Gold Limited (a non-wholly owned subsidiary of the Company) in developing the Australian gold mining projects. The above details are set out in the Company's announcements dated 22 September 2025 and 29 September 2025. On 30 September 2025, the Company applied all of the net proceeds from the Subscription to subscribe for shares of Hanking Gold Limited at a price of HKD2.62 per share.
- (2) On 30 September 2025, Hanking Gold Limited (a non wholly-owned subsidiary of the Company) entered into six subscription agreements with six subscribers (including the Company) in respect of the subscription for an aggregate of 436,550,000 shares of Hanking Gold Limited at the subscription price of HKD2.62 per subscription share. The total proceeds from the subscription amounted to approximately HKD1.14 billion. Hanking Gold Limited intends to use the proceeds from the subscription to support the development of the Australian gold mining projects and repaid the inter-group loans of approximately AUD86 million owed to the Company. Immediately following the completion of the subscription, the Company held 91.19% equity interest in Hanking Gold Limited. The above details are set out in the Company's announcement dated 30 September 2025.
- (3) On 27 October 2025, Hanking Gold Limited, through its subsidiary, acquired an aggregate of 6.63% equity interest in Cygnet Gold Pty Ltd from minority shareholders, increasing its shareholding in such company to 100%. Such minority shareholders, based on their confidence in the future development of the Cygnet Gold Project and Hanking Gold Limited, subscribed for an aggregate of 20,900,000 shares of Hanking Gold Limited at a subscription price of HKD2.62 per subscription share. Immediately following the completion of the subscription, the Company's equity interest in Hanking Gold Limited will be diluted from 91.19% to 90.44%. The gross proceeds from the Subscription amounted to approximately HKD54.76 million. Hanking Gold Limited intends to use the proceeds from the subscription to support the development of the Australian gold mining projects. The above details are set out in the Company's announcement dated 27 October 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Financing in January 2026

- (1) On 21 January 2026 (after trading hours), the Company entered into subscription agreements with four subscribers respectively, pursuant to which the subscribers have conditionally and severally agreed to subscribe for, and the Company has conditionally agreed to issue and allot, an aggregate of 43,960,000 subscription shares at the subscription price of HKD3.80 per subscription share. The total proceeds from the subscription amounted to approximately HKD167.05 million and the net proceeds from the subscription amounted to approximately HKD164.76 million.
- (2) On 22 January 2026 (before trading hours), the Company and the placing agents entered into placing agreement, pursuant to which the placing agents have conditionally and severally agreed, as the Company's placing agents, to procure, on a best efforts basis, not less than six places to subscribe for up to 162,040,000 new Shares at the placing price of HKD3.80 per Share. The gross proceeds of the placing amounted to approximately HKD615.75 million and the net proceeds of the placing amounted to approximately HKD607.34 million.

The gross proceeds from the subscription and the placing amounted to approximately HKD782.80 million, and the aggregate net proceeds from the subscription and the placing will be approximately HKD772.10 million. The Company intends to apply the net proceeds from the subscription and the placing, together with its own capital, to support the development of the Mt Bundy Gold Project, and it is expected that all of the net proceeds will be fully utilised by the end of 2027. Details of the above financings are set out in the Company's announcements dated 22 January and 29 January 2026.

3. Strategic Implementation Adjustment

In the second half of 2025, the Company has obtained the approval of the Hong Kong Stock Exchange for the PN15 application in relation to the proposed spin-off introduction listing. Prior to submitting the listing application, the Company is required to complete the preparation of the preliminary financial reports. Given that Mt Bundy Gold Project has completed an updated DFS, obtained all key permits including mining licenses and EIA approval, and received non-binding indicative financing offers, and on the other side, the recent drilling at Cygnet Gold Project clearly demonstrates its resource and reserve potential of this project is yet to be further explored, prior to being designed and constructed into a mine that is ready for actual mining operations, therefore, it aligns with the Company's strategic objective of becoming a gold producer as soon as possible and is in the best interest for all Shareholders that Mt Bundy Gold Project be developed first while continually exploring the Cygnet Gold Project.

As the Company changes the development sequence of the Cygnet Gold Project and the Mt Bundy Gold Project, and additional time is also needed for the preparation of the relevant independent technical reports, the Company assesses that it may not be able to complete the proposed spin-off listing plan of gold business within the originally scheduled time.

MANAGEMENT DISCUSSION AND ANALYSIS

Given the above information, the Company has made the following strategic decisions:

- (1) To concentrate all efforts including human and financial resources to support the development of the Mt Bundy Gold Project while maintaining the steady production of iron ore and high-purity iron operations in China;
- (2) To reflect its asset value as implied from its capital raising, its increased gold resources and reserves and its strategic goal of becoming a middle tier gold producer, the Company changed its name to “Hanking Gold International Limited” by a special resolution on 12 February 2026, with Dr. Qiu Yumin leading the transformation as an executive Director, chief executive officer and president of the Company, supported by the Board which is chaired by the non-executive Director Mr. Xia Zhuo; and
- (3) To act as the platform for the development of gold business, the Company will terminate the originally planned spin-off listing of gold business.

Through the strategic implementation adjustment, it allows the concentration of time, effort and funds to the high growth of gold business and to obtain financial support from its steady cashflows, thereby enabling the Company to join the ranks of mid-tier gold producers quickly. Details of the strategic adjustment are set out in the Company’s announcement dated 14 January 2026.

(I) Mt Bundy Gold Project

1. As at 5:00 p.m. on 1 July 2025, as Huineng Gold Pty Ltd failed to obtain a no objection statement from Australia Foreign Investment Review Board, i.e., failed to satisfy a condition precedent under the share sale agreement signed with HGM Resource Pty Ltd, a subsidiary of the Company, HGM Resource Pty Ltd therefore terminated the aforementioned share sale transaction in accordance with the terms of the share sale agreement. Details are set out in the Company’s announcement dated 2 July 2025.

2. DFS update:

The Rustlers Roost and Annie Oakley pits within the Mt Bundy Gold Project were re-optimised based on a gold price of AUD3,750 per ounce, new (lower) government royalties and the updated capital and operational costs after inflation adjustment and third-party quotes. The results of the updated DFS of the Mt Bundy Gold Project included:

- Pre-production construction capital increased by 10.9% to AUD437 million from AUD394 million.
- Construction period of 18 months.
- Total gold production has been increased to approx. 1.79 Moz from 1.69 Moz Au.
- LOM (Life of Mine) of 16 years.
- Average gold production over the 1st 10 years of LOM: approx. 150 Koz Au.
- All-in sustainable cost per ounce over the 1st 10 years averages approx. AUD1,858 (AUD1,883 over LOM).

MANAGEMENT DISCUSSION AND ANALYSIS

(II) Cygnet Gold Project

The acquisition of the Corinthia Gold Mine was completed in March 2025. Following completion of the acquisition, the Cygnet Gold Project was consolidated into a gold mining project with scalable production capacity, comprising three deposits, namely Golden Pig, Copperhead and Corinthia.

1. Phase I Feasibility Study of the Cygnet Gold Project

Following the latest JORC Code mineral resource estimate for the Cygnet Gold Project in July 2025, the Company completed the initial Ore Reserve estimate for the Cygnet pre-feasibility study. The PFS was led by the Australian gold mine engineering firm MACA Interquip Mintrex Pty Ltd, which has designed and constructed many gold mines in Australia and other countries. Key interim results of the Cygnet pre-feasibility study are summarized below:

- A conventional CIL processing plant with a designed processing capacity of 2 Mtpa located at Corinthia open-pit gold deposit, which is situated in the middle of a paved road between the Copperhead underground mine 15km to the north and the Golden Pig underground gold mine 15 km to the south.
 - Pre-production capital expenditure of AUD239 million, including the 2 Mtpa processing plant, tailing storage facility, 300-man camp and other associated capital works. The current mining inventory is approx. 1.01 Moz with an average of 1.81 g/t gold, estimated at a gold price of AUD3,750 per ounce.
 - Initial LOM of 9 years, which is anticipated to be extended after further study optimization and additional drilling (currently underway).
 - Average annual gold production over the initial 9 years LOM is approx. 91 Koz.
2. The Company has obtained the drainage construction permits for the Golden Pig and Copperhead underground gold mines. This approval allows underground mine water to be discharged at low cost prior to the commencement of underground mine development at the Golden Pig and Copperhead gold mines, enabling the Company to plan the development of underground decline access in advance. Such development will not only facilitate underground mining operations, but also enable the expansion and upgrading of gold resources and reserves through cost-effective underground drilling from underground workings. Details are set out in the Company's announcements dated 30 October and 29 December 2025.

(III) Significant Increase in Resources and Reserves

Following the completion of the stage 1 PFS for the Cygnet Gold Project and the updated definitive feasibility study for the Mt Bundy Gold Project, and subsequent assessments by independent experts from SRK China in accordance with the JORC Code, the Company's JORC gold reserves increased by 53.1% to 2.62 Moz, and JORC-compliant gold resources increased to 5.54 Moz. Details are set out in the Company's announcement dated 11 January 2026.

As at the end of 2025, the Group held JORC Code gold resources of approximately 5.54 Moz (approximately 172 tons), with an average grade of 0.94 g/t, and JORC Code gold reserves of approximately 2.62 Moz (approximately 82 tons), with an average grade of 0.90 g/t. ^{Note}

Note: 1 ounce of gold (specifically referring to the troy ounce, used exclusively for measuring precious metals) is approximately equal to 31.1035 grams.

MANAGEMENT DISCUSSION AND ANALYSIS

Table 1 – Gold mine resources as at the end of 2025

	Ore resources (thousand metric tons)			Ore resources (thousand metric tons)			Ore resources (thousand metric tons)			Ore resources (thousand metric tons)		
	Measured grade (g/t)	Gold (Koz Au)	Indicated grade (g/t)	Gold (Koz Au)	Inferred grade (g/t)	Gold (Koz Au)	Inferred grade (g/t)	Gold (Koz Au)	Total grade (g/t)	Gold (Koz Au)		
Cygnets Project												
Copperhead	—	—	3.48	664	2.55	216	8,561	3.20	880			
Golden Pig	246	3.53	28	6,845	2.4	151	9,049	3.14	915			
Corinthia	—	—	1.64	3,235	1.72	30	3,775	1.66	201			
Ore stockpile	5,045	0.45	0.28	213	—	—	5,258	0.45	76			
Subtotal	5,291	0.63	3.02	16,224	2.41	397	26,643	2.42	2,071			
Mt Bundy Project												
Rustlers Roost	—	—	0.62	84,183	0.43	577	125,579	0.56	2,263			
Toms Gully	—	—	5.7	2,671	5.53	100	3,236	5.67	590			
Quest 29	—	—	0.62	19,751	0.75	227	29,183	0.66	618			
Subtotal	—	—	0.75	106,605	0.55	904	157,998	0.68	3,471			
Total	5,291	0.63	1.05	122,829	0.72	1,301	184,640	0.94	5,543			

Table 2 – Gold mine reserves as at the end of 2025

	Approved Reserves			Estimated Reserves			Total		
	Ore resources (thousand metric tons)	Grade (g/t)	Gold (Koz Au)	Ore resources (thousand metric tons)	Grade (g/t)	Gold (Koz Au)	Ore resources (thousand metric tons)	Grade (g/t)	Gold (Koz Au)
Cygnets Project									
Copperhead	—	—	—	4,414	2.94	417	4,414	2.94	417
Golden Pig	47	2.99	5	1,562	2.44	122	1,609	2.45	127
Corinthia	—	—	—	2,533	1.49	122	2,533	1.49	122
Ore stockpile	—	—	—	4,488	0.47	68	4,488	0.47	68
Subtotal	47	2.99	5	12,996	1.75	729	13,043	1.75	734
Mt Bundy Project									
Rustlers Roost	—	—	—	69,254	0.66	1,464	69,254	0.66	1,464
Toms Gully	—	—	—	1,657	5.04	268	1,657	5.04	268
Quest 29	—	—	—	6,422	0.75	155	6,422	0.75	155
Subtotal	—	—	—	77,333	0.76	1,887	77,333	0.76	1,887
Total	47	2.99	5	90,330	0.90	2,616	90,377	0.90	2,621

Note: The figures do not imply precision and may not add up due to rounding.

MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Reorganisation of the Gold Mining Projects

1. Acquisition of the 6.63% equity interest in Cygnet Gold Pty Ltd held by minority shareholders
 - a. Consideration for the acquisition: AUD16.60 million. Including this acquisition, Hanking Gold Limited has acquired 100% equity interest in the Cygnet Gold Project, which hosts 2.07 million ounces of gold resources, at an aggregate consideration of approximately AUD60.31 million.
 - b. Based on their confidence in the future development of the Cygnet Gold Project and Hanking Gold Limited, the minority shareholders of Cygnet Gold Pty Ltd (including Dr. Qiu Yumin, a director of Hanking Gold Limited) subscribed for an aggregate of 20.9 million shares of Hanking Gold Limited at HKD2.62 per share, for a total consideration of HKD54.76 million.
2. Redemption of all outstanding share options of Hanking Australia
 - a. Background: After Hanking Australia acquired the PGO Gold Project in 2018, and in order to incentivise the Hanking Australia team to further develop the project, the Company adopted the Hanking Australia Share Option Scheme as one of the key measures under its talent strategy. The scheme was approved at the Company's extraordinary general meeting held on 25 January 2019, with a total grant limit of 21 million shares, representing 10% of the total issued share capital of Hanking Australia. In aggregate, 11.25 million share options were granted under the scheme, which played a key role in retaining and motivating employees and contributed significantly to the development of the Company's gold mining business to its current scale and stage.
 - b. Redemption: The exercise of any share options under the Hanking Australia Share Option Scheme would result in changes to the shareholding structure of Hanking Gold Limited. Accordingly, the Board approved on 27 October 2025 the redemption of all outstanding share options granted under the Hanking Australia Share Option Scheme, at a total redemption consideration of approximately AUD20.49 million.
 - c. Impact of the redemption: Upon cancellation, the remaining unrecognised share-based payment expense relating to unvested options was accelerated and recognised in profit or loss. The redemption consideration paid in excess of the carrying amount of the share-based payment reserve was recognised directly in equity. As at 31 December 2025, the relevant share options had been redeemed and cancelled, and the Hanking Australia Share Option Scheme had been terminated.

Details of the above reorganisation are set out in the Company's announcement dated 27 October 2025. Upon completion of the reorganisation, Hanking Gold Limited holds 100% interests in the Mt Bundy and Cygnet Gold Projects, and Hanking Australia has become a single consolidated tax group in Australia.

MANAGEMENT DISCUSSION AND ANALYSIS

(V) Future Development Plan for the Australian Gold Projects

The Mt Bundy Gold Project has completed the latest DFS, and all major approvals have been obtained, including the mining licence and EIA approvals. Meanwhile, through the Group's equity financing, sufficient internal funds have been secured to support the development of the Mt Bundy Gold Project. Accordingly, the Company has commenced preparatory work prior to construction and plans to begin construction of the processing plant and supporting facilities in the third quarter of 2026, with first gold production expected in the first quarter of 2028.

The Cygnet Gold Project still has potential for further exploration and expansion of its resources and reserves. In 2026, the Group will continue exploration activities at the Cygnet Gold Project to further increase its resources and reserves, thereby optimising the DFS, while also advancing the relevant permitting processes. The project is planned to commence mine construction in the second half of 2028, with first gold production expected before the end of 2029.

The Board wishes to emphasise that, due to uncertainties in metal prices and the operating environment, the above plans are made based on current market conditions and the Group's present circumstances. The Board may adjust the relevant development plans in response to changes in circumstances.

IV. IRON ORE AND HIGH-PURITY IRON BUSINESS IN THE PRC

(I) Iron Ore Business

In 2025, through continuous exploration, the iron ore business significantly expanded its resource reserves and entered the ranks of large-scale mines. Leveraging its high-quality resource endowment and sustained low-cost operational advantages, the business continues to generate stable cash flow for the Group.

Rich and high-quality iron ore resources

The iron ore resources of the iron ore business of the Company are situated at the well-known iron ore metallogenic belt of Anshan to Benxi where iron ore resources are rich and in good quality. The Company is committed to improving the quality of its iron ore concentrate products and has continuously invested in optimising its production processes. The average grade of iron ore concentrate produced in 2025 reached over 69%, and its content of sulfur, phosphorus and titanium impurities is low. This significantly reduces production costs for customers and enables the Company's products to command a premium compared with those of its industry peers. Aoni Mining has been recognised as a "Specialised, Refined, Distinctive and Innovative 'Little Giant' Enterprise" in Liaoning Province, and the Company's high-grade, high-purity iron concentrate has been awarded the title of a "technologically advanced" product in Liaoning Province.

MANAGEMENT DISCUSSION AND ANALYSIS

Digitalisation to Enhance Management Efficiency

The Company began developing a smart mine system for iron ore business in 2019, and in 2023 it was recognised as a provincial-level digital workshop in Liaoning Province. In 2025, the Company continued to optimise and upgrade its intelligent systems, with a particular focus on production, safety, and environmental protection departments. With the rapid development of technologies such as artificial intelligence, big data and cloud computing, the construction of smart mines has become a core driving force for the transformation and upgrading of the industry.

Cost Reduction and Efficiency Enhancement

In response to the downward pressure on market prices and to strengthen the Company's core competitiveness, the Company continued to promote cost reduction and efficiency enhancement initiatives for iron ore business in 2025, in line with the principles of lean management. On the one hand, production and operational optimisation was carried out to unlock internal potential, including measures such as improving equipment maintenance and extending service life, reducing procurement costs, enhancing capital utilisation efficiency, and strictly controlling administrative expenses. On the other hand, efforts were made to revitalise existing assets and release embedded value, including internal asset redeployment, clearance and sale of scrap and obsolete materials, and disposal of idle assets, thereby further reducing costs.

Low-Cost Operations

In 2025, the Company's iron ore business maintained stable production, with iron concentrate output reaching 954,000 tonnes, representing a year-on-year decrease of 55,000 tonnes or 5.45%, and 100.42% of the annual budget target achieved. Stable production, together with a series of cost reduction and efficiency enhancement measures implemented by the Company during the year, resulted in the Company's average cash operating cost per tonne of iron concentrate decreasing to RMB339 in 2025, representing a year-on-year decrease of RMB14 per tonne or 3.97%. The Company's cash operating cost has declined for three consecutive years, further reinforcing its low-cost operational advantage.

MANAGEMENT DISCUSSION AND ANALYSIS

Table 3 – Cash operation costs of the iron ore business

	For the year ended 31 December		Change
	2025 (RMB/ metric ton of iron ore concentrate)	2024 (RMB/ metric ton of iron ore concentrate)	
Mining	170	175	(2.86%)
Processing	78	80	(2.50%)
Transportation ^{Note 1}	20	15	33.33%
Tax	53	58	(8.62%)
Mine management ^{Note 2}	18	26	(30.77%)
Total	339	354	(4.24%)

Notes:

1. The increase in transportation cost per tonne was mainly attributable to the rise in third-party freight charges and changes in sales volumes among different customers.
2. Mine management expenses were reduced during the year through the implementation of a series of cost reduction and efficiency enhancement measures.

Table 4 – Operation breakdown of iron ore business

	For the year ended 31 December		Change
	2025	2024	
Output of iron ore concentrates (thousand metric tons)	954	1,009	(5.45%)
Sales volume of iron ore concentrates (thousand metric tons)	980	989	(0.91%)
Average selling price (RMB per metric ton)	874	973	(10.17%)
Average cost of sales (RMB per metric ton)	352	363	(3.03%)
Revenue (RMB thousand)	861,586	966,175	(10.83%)
Gross profit (RMB thousand)	516,438	606,772	(14.89%)
Gross margin	59.94%	62.80%	Down 2.86 percentage points

For the year ended 31 December 2025, the capital expenditure of the iron ore business was RMB87,626,000 (2024: RMB69,508,000), mainly representing expenditure on plant, machinery and equipment and property.

MANAGEMENT DISCUSSION AND ANALYSIS

Underground Mining Expansion Project

In September 2025, construction of the underground mining expansion project for the No. 2 mining area of the Maogong Mine officially commenced. The project will integrate and develop newly identified resources in the Eboling ore block of the No. 2 mining area, while maximising the utilisation of the existing processing plant, underground mining equipment and infrastructure, thereby extending the service life of the No. 2 mining area of the Maogong Mine. The construction period of the project is expected to be four years, with a mine life of 15 years. Upon completion of the infrastructure development period, the production capacity will reach 2.9 Mtpa. The Group has entered into a project loan agreement with a bank, thereby reducing the occupation of the Group's internal funds. Upon completion of the project, the production capacity of the Maogong Mine will be smoothly sustained, further strengthening its ability to continue creating value.

Resources and reserves

Exploration activities

The Company is well aware of the importance of sustainable high-quality resources and has been committed to prospecting for minerals in and around existing mining areas. In 2025, exploration activities continued at the Shangma and Maogong mining areas, with a total of 59 drill holes completed during the year, representing an aggregate drilling footage of approximately 37,054 metres. During 2025, new iron ore resources were discovered within the existing open pit of the Maogong Mine. Drilling programmes were subsequently carried out and a reserves verification report has been prepared and submitted accordingly.

In 2025, the Shangma Mine obtained a renewed mining licence. The mining area was expanded from 6.7224 square kilometres to 10.9753 square kilometres. In addition, approximately 79.76 million tonnes of iron ore resources previously identified through exploration conducted by the Company under its exploration licence have been incorporated into the renewed mining licence. The Shangma Mine currently holds total iron ore resources of approximately 110 million tonnes, reaching the scale of a "large-scale iron mine". The renewal of the mining licence has further enhanced the Group's exploitable resource reserves and laid a solid foundation for the sustainable development of the Group's iron ore business in the future. Details are set out in the Company's announcement dated 30 July 2025.

As at the end of 2025, the Group held iron ore resources of approximately 167 million tonnes.

MANAGEMENT DISCUSSION AND ANALYSIS

Table 5 – Iron ore resources as at the end of 2025

Mine	Measured Resources		Indicated Resources		Inferred Resources		Total	
	Metric ton	TFe (%)	Metric ton	TFe (%)	Metric ton	TFe (%)	Metric ton	TFe (%)
Aoniu Mine	—	—	12,983,099	32.45	20,476,550	31.80	33,459,649	32.05
Maogong Mine	—	—	5,189,000	34.67	18,024,000	34.65	23,213,000	34.66
Shangma Mine	18,297,420	34.77	37,637,380	33.63	54,337,930	33.51	110,272,730	33.76
Total	18,297,420	34.77	55,809,479¹	33.45	92,838,480²	33.35	166,945,379	33.54

1 The resources amount includes 11,364,039 metric tons of the resources amount not shown on the mining licenses.

2 The resources amount includes 18,590,850 metric tons of the resources amount not shown on the mining licenses.

Note 1: For the determination of iron ore resources, firstly, the industrial parameters were determined in accordance with the requirements of the general standard of the geological exploration profession in the PRC “Geological Exploration Standards for Iron, Manganese and Chrome Deposits” (DZ/T0200-2002); and then the “Geological Block” method was selected based on the geological characteristics of the ore bodies to estimate the amount of ore resources using the volume and specific gravity of ore body in each block. The resources category classification is based on the extent of geological exploration work carried out and is comparable to the JORC Code.

Note 2: The figures do not imply precision and may not add up due to rounding. Mineral resources are quoted inclusive of mineral reserves.

As at the end of 2025, the Group owned approximately 61,120,000 metric tons of JORC Code iron ore reserves.

Table 6 – Iron ore reserves as at the end of 2025

Mine	Reserves category	Increased amount for	Reserves at	TFe (%)
		2025	the end of 2025	
		(metric ton)	(metric ton)	
Aoniu Mine	Probable Ore Reserve	0	0 ¹	—
Maogong Mine	Probable Ore Reserve	0	5,189,000	34.67
Shangma Mine	Probable Ore Reserve	34,214,380 ²	55,934,800	34.00
Total	Probable Ore Reserve	34,214,380	61,123,800	34.06

1 According to the latest dynamic monitoring report, the remaining iron ore reserves at Aoniu Mine are temporarily unexploitable because they are mainly located at the security pillars of mine.

2 As the Shangma Mine obtained a renewed mining licence in 2025, part of the resources previously recorded under the exploration licence were converted into reserves.

Note: In accordance with the JORC Code, ore resources are the economically mineable portion of the resources obtained through exploration and are determined based on mine feasibility study as well as actual operation parameters from the operations of relevant mines.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) High-purity Iron Business

High-quality, High-purity Iron

The product structure of the Company's high-purity iron business is mainly pig iron for high-end ductile casting, which is mainly characterized by extremely low content of harmful impurities such as phosphorus, sulfur, titanium and tension-active element, strong corrosion resistance and high tensile strength, and is positioned in the high-end market of the PRC's casting industry. This is attributable to the long-term and stable supply of high-quality raw iron ore concentrates from the Group's own mines on the one hand, and the Company's more than 10 years of advantages and experience in the production process of ductile casting iron for wind power, and years of cooperative relations with major customers on the other hand. Relying on stable and high-quality raw materials, mature processes and experience accumulated over the years, and an annual production capacity of 930,000 metric tons in the market field of ductile casting iron, we provide high-end pig iron for ductile casting with stable quality and reliable quantity for customers of downstream castings.

Stable Production and Blast Furnace Upgrade

Maintaining continuous and stable production remains the key focus and foundation for the development of the high-purity iron business. In 2025, both the number of days of smooth blast furnace operation and the average daily output increased, resulting in improved production efficiency. The annual output of high-purity iron reached 882,000 tonnes, representing a year-on-year increase of 16.51%, and achieving 105.95% of the annual budget target. From mid-September to the end of October 2025, we carried out an intermediate overhaul and upgrade of the 580-cubic-metre blast furnace, which serves as the main production unit. Upon completion of the project, the blast furnace was successfully recommissioned, bringing multiple benefits: first, extending the service life of the furnace while reducing the overall failure rate and production downtime; second, enhancing production efficiency and increasing daily output; and third, reducing energy consumption costs and improving various emission indicators through the addition or upgrading of energy-saving and environmental protection equipment.

Turning Profitable

On the basis of stable production, we strengthened technical exchanges with suppliers on the procurement side to ensure supply quality while broadening procurement channels to reduce raw material costs. During the year, the average selling cost was RMB2,458 per tonne, representing a year-on-year decrease of 16.53%. On the sales side, we continued to explore new industries and develop new customers, while consistently working to enhance the value-added of our products. In 2025, the Company's sales volume of high-purity iron reached 876,000 tonnes, representing a year-on-year increase of 16.33%, of which ductile iron for wind power accounted for approximately 66% of total sales and iron for other high-end castings accounted for approximately 29% of total sales. In 2025, gross profit amounted to RMB189,392,000, representing a year-on-year increase of 201.86%, while the gross profit margin was 8.08%, up 5.33 percentage points year-on-year. The business turned profitable, recording a profit before tax of RMB15,011,000 (compared with a loss before tax of RMB78,174,000 in the same period last year).

MANAGEMENT DISCUSSION AND ANALYSIS

Table 7 – Operation breakdown of high-purity iron business

	For the year ended 31 December		Change
	2025	2024	
Output (thousand metric tons)	882	757	16.51%
Sales volume (thousand metric tons)	876	753	16.33%
Average selling price (RMB per metric ton)	2,658	2,990	(11.10%)
Average cost of sales (RMB per metric ton)	2,458	2,945	(16.53%)
Revenue (RMB thousand)	2,342,797	2,281,905	2.67%
Gross profit (RMB thousand)	189,392	62,741	201.86%
			Up 5.33 percentage points
Gross margin	8.08%	2.75%	points

For the year ended 31 December 2025, capital expenditures of the high-purity iron business amounted to RMB51,080,000 (2024: RMB21,351,000), mainly representing expenditures on plant, machinery and equipment and property.

(III) Future Plans for Domestic Business in the PRC

Mineral resources form the foundation of the Group's business. The Group will continue exploration activities within and around its existing iron ore mining areas and will advance the conversion of existing exploration results into mineral resources, thereby continuously enhancing the Group's reserves of high-quality iron ore resources. Through the ongoing development of its smart mining system, the Group will continue to optimise management and improve efficiency while reducing costs. In 2026, the Group plans to produce approximately 936,000 tonnes of iron concentrate, further consolidating its competitive advantages of high quality and low cost.

In 2026, the Group plans to produce approximately 898,000 tonnes of high-purity iron. Leveraging the Company's advantages in resources, production capacity, technology and market presence in the high-purity iron sector, the Group will continue to provide high-quality raw materials to the wind power industry while seeking to expand its customer base in other high-end manufacturing application sectors.

The Board would like to emphasize that due to the uncertainties in metal prices, the domestic raw materials market and the production environment, the above plans are made solely on the basis of the current market situation and the existing conditions of the Group. The Board may adjust the relevant production plan in light of any changes in the circumstances.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS RELATING TO MAJOR INVESTMENT OR CAPITAL ASSET

Saved as disclosed in this report, as of the end of the Reporting Period, the Company has no future plan relating to major investment or capital asset.

SAFETY, ENVIRONMENTAL PROTECTION, EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the Group had a total of 1,724 employees (as at 31 December 2024: 1,714 employees). For the year ended 31 December 2025, the aggregate remuneration expenses and other employee benefits costs of the Group amounted to RMB231,620,000 (2024: RMB207,997,000). Employee costs include basic salary, commission and bonus, housing allowance, pension, medical insurance, occupational injury insurance and other insurances required by the government. In accordance with the remuneration policy of the Company, the income of employees is related to the performance of individual employees and the operating performance of the Company. The Company carried out performance assessment to motivate employees, so as to enhance its operating performance. In order to improve the overall quality and professional skills of the employees, the Group has developed and implemented the Administrative System on Training.

For details on safety, environmental protection and employee development of the Group for the year 2025, please refer to the Environmental, Social and Governance Report of the Company for the year 2025 to be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company's website at www.hankinggold.com.

FINANCIAL REVIEW

1. Revenue, Cost of Sales, Gross Profit

For the year of 2025, the Group's revenue was RMB2,559,504,000, representing an increase of RMB75,354,000 or 3.03% as compared to last year. The increase was mainly due to the fact that the selling volume of high-purity iron in 2025 increased by approximately 123,000 metric tons and the sales price decreased by RMB332 per metric ton as compared to last year, resulting in an increase in revenue of RMB76,097,000.

For the year of 2025, cost of sales incurred by the Group amounted to RMB1,869,118,000, representing an increase of RMB58,527,000 or 3.23% as compared to last year, mainly due to the combined effect of an increase in the sales volume of high-purity iron by approximately 123,000 metric tons and a decrease in unit cost as compared to last year.

For the year of 2025, gross profit of the Group was RMB690,386,000, representing an increase of RMB16,827,000 or 2.50% as compared to last year. The increase was mainly attributable to an increase in the sales volume of high-purity iron by approximately 123,000 metric tons and a decrease in unit costs resulting from continuous and stable production. As compared to last year, gross margin of the Group only slightly decreased from 27.11% to 26.97% in 2025, despite the decline in selling prices.

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis on the revenue by major products

	For the year ended 31 December 2025				For the year ended 31 December 2024			
	RMB'000				RMB'000			
	Iron ore business	High-purity iron business	Others	Total	Iron ore business	High-purity iron business	Others	Total
Iron ore concentrates	215,237	—	—	215,237	200,318	—	—	200,318
High-purity iron	—	2,328,803	—	2,328,803	—	2,252,706	—	2,252,706
Others	4,988	9,553	923	15,464	3,840	23,409	3,877	31,126
Total	220,225	2,338,356	923	2,559,504	204,158	2,276,115	3,877	2,484,150

2. Other Income, Other Expense, Other Gains and Losses, Expected Credit Losses

For the year of 2025, other income of the Group was RMB13,967,000, representing an increase of RMB1,112,000 or 8.65% as compared to last year. Other income mainly represented interest income. The increase in other income was mainly due to the increase in interest income caused by the increase in bank deposits.

For the year of 2025, other expenses of the Group amounted to RMB975,000. Other expense represented donation expenditure.

For the year of 2025, the Group recorded other gains of RMB2,178,000, as compared with other losses of RMB12,973,000 last year. The change was mainly attributable to the impairment of interests in an associate of RMB5,975,000 recognised by the Group in 2024. Other losses mainly consisted of the impairment loss of assets, foreign exchange losses, gains or losses from disposal of available-for-sale financial assets, net gain or loss from disposal of properties, plants and equipment, and other overheads, etc.

For the year of 2025, impairment loss under the Group's expected credit loss model was RMB3,380,000, as compared with an impairment reversal of RMB1,067,000 last year. The Group has, upon more due consideration, made provision for an impairment loss on receivables under expected credit loss model according to the historical settlement pattern, industry practice, the Group's historical actual loss experience and general economic conditions of the industry in which the debtors operate.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Distribution and Selling Expenses, Administrative Expenses

For the year of 2025, the distribution and selling expenses of the Group were RMB117,373,000, representing an increase of RMB29,267,000 or 33.22% as compared to last year, which was mainly due to the increase in sales volume of high-purity iron of approximately 123,000 metric tons as compared to last year and the change in delivery distance of customers. Selling and distribution expenses consisted of transportation expenses, labour expenses and others.

For the year of 2025, the administrative expenses of the Group were RMB233,246,000, representing an increase of RMB24,902,000 or 11.95% as compared to last year. The increase was mainly attributable to listing-related expenses of approximately RMB14,075,000 incurred in 2025 in connection with the proposed spin-off listing of the Group's gold mining business. Administrative expenses included remuneration paid to the management and administrative staff of the Group, depreciation and amortization, leasing and office expenses, business development expenses, professional consultation and service expenses, taxation expenses, bank charges and others.

4. Finance Costs and Income Tax Expense

For the year of 2025, the finance costs of the Group were RMB69,432,000, representing an increase of RMB1,914,000 or 2.83% as compared to last year. Finance costs included interest expenses on bank borrowings, discount expenses and other finance expenses. The slight increase in finance costs for the year as compared to last year was mainly due to higher interest expenses caused by the year's increased borrowings.

For the year of 2025, the income tax expense of the Group was RMB113,512,000, representing a decrease of RMB10,059,000 or 8.14% as compared to the income tax expense last year. Income tax expense included the sum of current tax payable and deferred tax.

5. Profit for the Year and Total Comprehensive Income

Based on the aforesaid reasons, the Group's profit for the year of 2025 was RMB168,772,000, representing a decrease of RMB6,777,000 or 3.86% as compared to last year. The Group's adjusted net profit for the year of 2025 was RMB200,212,000 (2024: RMB180,115,000). The adjusted net profit represents the profit for the year of the Group after adding back the listing-related expenses incurred in relation to the proposed spin-off listing of the gold business and share-based payments.

Based on the profit for the year, and affected by the changes in fair values of financial assets measured at fair value through other comprehensive income and foreign currency translation etc., the total comprehensive income of the Group for the year of 2025 was RMB181,081,000, representing an increase of RMB32,085,000 or 21.53% as compared to last year.

MANAGEMENT DISCUSSION AND ANALYSIS

6. Property, Plant and Equipment, Inventories, Intangible Assets

As at 31 December 2025, the net value of property, plant and equipment of the Group was RMB659,263,000, representing an increase of RMB5,178,000 or 0.79% as compared to the end of last year.

As at 31 December 2025, the inventories of the Group were RMB237,167,000, representing a decrease of RMB24,147,000 or 9.24% as compared to the end of last year, mainly due to the decline in the prices of finished products and raw materials in the high-purity iron segment as compared to last year.

As at 31 December 2025, the intangible assets of the Group were RMB684,389,000, representing an increase of RMB404,734,000 or 144.73% as compared to the end of last year. The increase was mainly due to the reclassification back of assets previously classified as assets held for sale at the end of last year following the cancellation of the disposal transaction of Primary Gold Pty Ltd and its subsidiaries, as well as expenditures incurred during the period on mining rights, exploration and feasibility studies in relation to the iron ore and gold mining business.

7. Trade and Other Receivables, Trade and Other Payables

As at 31 December 2025, trade receivables of the Group were RMB239,807,000, representing an increase of RMB83,508,000 as compared to the end of last year, including RMB122,990,000 for factoring the third party trade receivables to non-bank financial institutions, representing an increase of RMB73,390,000 as compared to last year.

As at 31 December 2025, other receivables of the Group were RMB91,626,000, representing an increase of RMB25,294,000 as compared to the end of last year. Such increase was due to the increase in advanced to suppliers.

According to the requirements of IFRS 9 Financial Instruments, the Group has classified the bills receivables as the receivables at fair value through other comprehensive income based on the characteristics of the business model and contractual cash flow. The fair value and expected credit losses were assessed by the Group at the end of the Reporting Period, with the changes in the fair value included in other comprehensive income and the expected credit losses included in impairment losses under expected credit loss model.

As at 31 December 2025, bills receivables of the Group were RMB279,127,000, representing a decrease of RMB6,949,000 as compared to the end of last year, including undiscounted and unendorsed bills receivables of RMB100,468,000. Such bills can be discounted or endorsed at any time to satisfy the Group's capital requirement.

As at 31 December 2025, trade payables of the Group were RMB114,900,000, representing a decrease of RMB80,491,000 as compared to the end of last year, including the decrease of RMB93,571,000 in accounts payable that has endorsed bills receivable to suppliers but not derecognised in their entirety. As at 31 December 2025, other payables of the Group were RMB157,387,000, representing an increase of RMB28,227,000 as compared to the end of last year, mainly due to the increase in payables and other transportation fee payable for acquisition of property, plant and equipment.

MANAGEMENT DISCUSSION AND ANALYSIS

8. Cash Use Analysis

The summary of the Group's consolidated statement of cash flows for the year of 2025 is set out below.

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
Net cash flows from operating activities	112,522	178,669
Net cash flows from investing activities	(571,663)	(68,217)
Net cash flows from financing activities	510,097	(22,012)
Net increase in cash and cash equivalents	50,956	88,440
Cash and cash equivalents at the beginning of the year	358,128	270,258
Cash and cash equivalents classified as assets held for sale	1,817	(1,817)
Effect of changes in foreign exchange rate on cash and cash equivalents	(5,333)	1,247
Cash and cash equivalents at the end of the year	405,568	358,128

The net cash inflow from operating activities during the year of 2025 was RMB112,522,000. The amount was mainly attributed to the profit before tax of RMB282,284,000, together with depreciation and amortization of RMB154,839,000, finance costs of RMB69,432,000, which were offset by the net change in working capital of RMB306,130,000 and the payment of income tax of RMB96,847,000.

According to IFRS accounting standards, the cash flows from (i) proceeds from bills discounted to banks that are not derecognised in their entirety, and (ii) proceeds from factoring of trade receivables to non-bank financial institutions with full recourse, are classified under cash flows from financing activities, rather than under cash flows from operating activities. The Directors are of the view that both relevant cash flow items should be taken into consideration to fully reflect the cash flows generated from our operations. In 2025, the cash flow generated from operations after considering the above two items of cash flow was RMB345,980,000 (2024: RMB315,849,000).

For the year of 2025, the net cash outflow from investing activities amounted to RMB571,663,000. This amount mainly included the amount of RMB75,551,000 paid for the addition of plant and equipment as well as acquisition of properties in order to achieve expansion of production capacity and technological upgrade, the amount of RMB110,146,000 paid for the acquisition of intangible assets, the amount of RMB76,992,000 paid for the acquisition of non-controlling equity of the Cygnet Gold Project in Western Australia, time deposits of RMB437,620,000, interest income of RMB10,133,000 and the net recovery of borrowings and bills deposits of RMB95,325,000.

For the year of 2025, the net cash inflow from financing activities was RMB510,097,000, which was mainly from the new bank borrowings of RMB882,700,000, the repayment of bank borrowings of RMB762,480,000, the net outflow from notes financing of RMB136,278,000, the settlement of loan interest of RMB66,789,000, the payment of dividend of RMB37,815,000, proceeds from bills discounted to banks that are not derecognised in their entirety of RMB110,468,000, proceeds from factoring of trade receivables to non-bank financial institutions with full recourse of RMB122,990,000, the payment of RMB94,991,000 for repurchase of share options, proceeds from issuance of Shares of RMB214,486,000 and proceeds from issuance of equity interests in subsidiaries to minority shareholders of RMB282,050,000.

MANAGEMENT DISCUSSION AND ANALYSIS

9. Cash and Borrowings

As at 31 December 2025, the available cash and bank acceptance bills of the Group amounted to RMB943,656,000, representing an increase of RMB567,802,000 or 151.07% as compared to the end of last year.

Breakdown of Available Cash and Bank Acceptance Bills

	31 December 2025 RMB'000	31 December 2024 RMB'000	Changes Amount RMB'000	Ratio
Cash and bank balance	405,568	358,128	47,440	13.25%
Fixed deposits	437,620	—	437,620	—
Bank acceptance bills (undiscounted and unendorsed)	100,468	17,726	82,742	466.78%
Available cash and bank acceptance bills	943,656	375,854	567,802	151.07%

As at 31 December 2025, bills payables and borrowings of the Group amounted to RMB458,300,000 and RMB1,111,806,000, respectively, and the amount net of borrowings and bills deposits was RMB886,810,000, representing an increase of RMB78,719,000 or 9.74% as compared to the end of last year.

Breakdown of Borrowings and Bills Payables

	31 December 2025 RMB'000	31 December 2024 RMB'000	Changes Amount RMB'000	Ratio
Borrowings – due within one year	989,306	895,857	93,449	10.43%
Borrowings – due after one year	122,500	—	122,500	—
Subtotal	1,111,806	895,857	215,949	24.11%
Bills payables	458,300	594,578	(136,278)	-22.92%
Total	1,570,106	1,490,435	79,671	5.35%
Less: borrowings and bills deposits	449,838	526,156	(76,318)	-14.50%
Less: discounted bank acceptance bills	110,468	106,588	3,880	3.64%
Less: factored trade receivables	122,990	49,600	73,390	147.96%
Net borrowings and bills payables	886,810	808,091	78,719	9.74%

Save for the information disclosed above or otherwise in this report, the Group has no outstanding mortgage, pledge, debentures or other loan capital issued or agreed to be issued, bank overdrafts, loans, liabilities under acceptance or other similar liabilities, hire purchase and finance lease commitments, or any guarantees or other material contingent liabilities. The Directors have confirmed that, save as disclosed above, there were no material changes in the debts and contingent liabilities of the Group from 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

10. Gearing Ratio

The gearing ratio of the Group decreased from 59.87% as at 31 December 2024 to 51.98% as at 31 December 2025. The gearing ratio is calculated by dividing total liabilities by total assets.

The Group's net gearing ratio decreased from 31.21% as at 31 December 2024 to 24.81% as at 31 December 2025. The net gearing ratio is calculated by dividing net borrowings and bills payables net of borrowings and bills deposits as well as cash and cash equivalents by total equity.

11. Major Risks

Commodity price risk: The prices of the Group's products are influenced by international and domestic market prices and changes in global supply and demand for such products. Price volatility of non-ferrous metals is also affected by the global and the PRC economic cycles as well as the fluctuations of the global currency markets. Both the international and domestic market prices of non-ferrous metals as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity prices may materially affect the turnover and the comprehensive income of the Group.

State policy risk: The Group owns assets in China and Australia, which may amend their policies according to any changes in the macro environment from time to time. Changes in policies are beyond the control of the Group, which will have a material effect on the operation of the Group.

Interest rate risk: The interest rate risk in the fair value of the Group mainly relates to the bank borrowings. The management of the Group will continue to monitor the loan portfolio and interest rate risks of the Group, and may consider taking appropriate measures to hedge material interest rate risks when necessary.

Foreign exchange risk: As of the date of this report, the reporting currency of the Group was RMB. Since RMB is not freely convertible, the risk that the Chinese government may take measures to interfere exchange rates may bring effects to the Group's net asset value, profit and the dividends declared to the extent that such dividends are subject to foreign exchange. In addition, the Group owns assets in Australia. Their assets and liabilities are denominated in AUD and the Group has bank deposits denominated in HKD and USD, which are subject to fluctuation in the foreign exchange rate and may affect the net assets value and profit of the Group to some extent. The management of the Group will continue to monitor the currency matching between the revenue and costs of the Group and exchange risks, and may consider taking appropriate measures to hedge material exchange risks when necessary.

12. Pledge of Assets and Contingent Liabilities

Some of the bank borrowings and bills payables of the Group are secured by bank deposits, bank acceptance bills, property, plant and equipment, mining rights as well as right-of-use assets. As at 31 December 2025, the net carrying value of the pledged bank deposits, bank acceptance bills, trade receivables, property, plant and equipment, mining rights and right-of-use assets amounted to RMB449,838,000, RMB115,834,000, RMB122,990,000, RMB48,908,000, RMB51,651,000 and RMB39,909,000, respectively.

As at 31 December 2025, the Group had no material or contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

13. Capital Commitment

As at 31 December 2025, the capital commitment of the Group was RMB236,608,000, representing an increase of RMB195,064,000 or 469.54% as compared to last year. The capital commitment mainly relates to engineering expenditures for the renovation and expansion of Maogong Mine.

14. Capital Expenditure

The Group's capital expenditure increased from RMB139,793,000 in 2024 to RMB227,400,000 in 2025. Expenditure incurred in 2025 mainly included (i) expenditures for plants, machines and equipment and properties amounting to RMB119,891,000; (ii) expenditure for intangible assets amounting to RMB92,807,000; and (iii) increase of RMB14,702,000 in right-of-use assets.

15. Significant Investments Held

As at 31 December 2025, the Group did not hold any significant investments.

16. Material Acquisitions and Disposals of Subsidiaries and Associated Companies

On 27 October 2025, the Company, through its subsidiary, further acquired 6.63% of the shares of the company to which the Cygnet Gold Project was belong, increasing its shareholding to 100%, at a consideration of AUD16,600,000 (equivalent to RMB76,992,000).

Save as disclosed above, the Group had no material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year of 2025.

17. Significant Subsequent Events

Except as disclosed in this report, there are no other significant matters occurring after the end of the year ended 31 December 2025.

18. Material Changes

Save as disclosed in "Strategic Implementation Adjustment - Focusing on Gold Business in Australian" on page 12 of this report, there have been no material changes in respect of the future development of the business of the Group (including the Company's prospects for the current financial year) since the publication of the Company's 2024 annual report.

REPORT OF THE DIRECTORS

1. PRINCIPAL ACTIVITIES

Being a high-quality material supplier for the new energy industry, the Company relies on its own high-quality iron ore resources to produce wind power ductile casting iron products, and also engages in the development of gold mine projects in Australia. Details of the principal subsidiaries of the Company are set out in note 38 to the consolidated financial statements.

2. BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the future business development are provided in the section headed "President's Statement" of this annual report. Description of possible risks and uncertainties that the Group may be facing can be found in paragraph 11 "Major Risks" of the section headed "Financial Review". Also, the financial risk management objectives and policies of the Group can be found in note 45 to the consolidated financial statements. A financial summary of the Group is provided on page 5 of this annual report, setting out an analysis of the Group's performance during the year using key financial performance indicators. In addition, discussions on the Group's environmental policies, relationships with its stakeholders and the Group's compliance with the relevant laws and regulations which have a significant impact on the Group are contained in the sections headed "Corporate Governance Report" and "Report of the Directors" of this annual report respectively, which can also be found in the Environmental, Social and Governance Report of the Company.

3. RESULTS

The profit of the Group for the year ended 31 December 2025, and the financial position of the Group as at that date are set out on pages 90 to 92 of this annual report. The financial position of the Company as at 31 December 2025 is set out in note 48 to the consolidated financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group and the Company for the year ended 31 December 2025 are set out in note 18 to the consolidated financial statements.

5. SHARE CAPITAL

As at 31 December 2025, the total number of authorized Shares of the Company was 10,000,000,000 Shares with a par value of HKD0.1 each, the total authorized capital was HKD1,000,000,000, and the number of Shares in issue was 2,035,000,000 Shares. During the year, the Company issued an aggregate of 75,000,000 Shares.

The Company has completed the issuance of an aggregate of 43,960,000 subscription shares pursuant to the subscription agreements dated 21 January 2026, and the issuance of an aggregate of 162,040,000 placing shares pursuant to the placing agreement dated 22 January 2026. Further details are set out in the announcements of the Company dated 22 January 2026 and 29 January 2026. Immediately following the completion of the aforementioned issuance, the total number of issued Shares of the Company was 2,241,000,000 Shares.

REPORT OF THE DIRECTORS

6. PRE-EMPTION RIGHT

Pursuant to the Articles of Association of the Company and the laws of the Cayman Islands (the place where the Company was incorporated), no provision in relation to pre-emption rights shall be applicable to the Company.

7. DISTRIBUTABLE RESERVE

The share premium of the Company is available for paying distributions or dividends to the Shareholders subject to the provisions of the Articles of Association and provided that immediately following the distribution or dividend payment the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Articles of Association, dividends can be distributed out of the profits, special reserve and share premium of the Company. The Company's reserve available for distribution to the Shareholders as at 31 December 2025 amounted to approximately RMB248,548,000.

8. DIVIDEND

During the Reporting Period, the Company declared and distributed a dividend of HKD0.02 per Share for the year ended 31 December 2024 to the owners of the Company whose names appeared on the register of members on 6 June 2025, totaling HKD39,200,000 (equivalent to RMB35,851,000). Details of which are set out in the annual results announcement of the Company dated 20 March 2025.

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

The "Dividend Distribution Plan for Shareholders for the Three Years (2023-2025)" of the Company

1. *Principle of Formulation*

The profit distribution policy of the Company should be consistent and stable. The Company's profit distribution shall focus on providing investors with reasonable investment return as well as maintaining the sustainable development of the Company. From 2023 to 2025, the Company will actively distribute profits in form of cash. This plan is formulated in compliance with the relevant laws, regulations and the Articles of Association, and on the premise that the consistency and stability of the profit distribution policy have been maintained.

REPORT OF THE DIRECTORS

2. Formulation of Dividend Plan

The Board shall comprehensively consider factors such as the characteristics of the industry in which the Company operates, conditions of business operation, profitability and the strategic development plan for the future, and formulate dividend plan upon the conclusion of each accounting year according to the procedures stipulated in the Articles of Association, provided that the amount of dividend shall account for at least 30% of the Group's total net profit for the period.

3. Forms of Profit Distribution

The Company will make interim and annual profit distribution. The Company may distribute profits in form of cash, shares, a combination of cash and shares or other forms that may be permitted by the laws and regulations. Where the conditions for cash dividends are satisfied, the Company shall prioritize the distribution of cash dividends. Where the Company distributes profits by way of dividends on shares, the decision shall be made based on genuine and reasonable grounds such as the Company's growth potentials and dilution of net assets per share.

Whilst the Group recorded a net profit for the year 2025, after careful consideration of the Company's overall financial arrangements and strategic development direction, the Company resolved to retain profits to support the relevant preparation work so as to ensure the smooth progress of the gold mine business and safeguard the long-term interests of the Shareholders. Accordingly, the Board does not recommend the payment of a final dividend for the year ended 31 December 2025 to the Shareholders of the Company.

Closure of Register of Members

The annual general meeting of the Company is scheduled to be held on Friday, 22 May 2026. The register of members of the Company will be closed from Friday, 15 May 2026 to Friday, 22 May 2026 (both days inclusive) to determine the entitlement to attend and vote at the annual general meeting. The record date is Friday, 22 May 2026. In order to attend and vote at the 2026 annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 14 May 2026.

REPORT OF THE DIRECTORS

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

For the year ended 31 December 2025, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares (as defined under the Listing Rules) of the Company, if any). The Company did not have any treasury Shares as at 31 December 2025.

10. MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, according to the Listing Rules, the purchase from the Company's five largest suppliers in aggregate accounted for 58.50% of the Company's total purchase for the year. In particular, the total purchase from the largest supplier accounted for 19.63% of the Company's total purchase for the year. Payment terms with the five largest suppliers are mainly on credit within 15 days from the time when the goods are received from suppliers.

The following table shows the details of the major suppliers for the year ended 31 December 2025:

Name of supplier	Major raw materials purchased from the supplier	Amount of raw materials purchased from the supplier (RMB'000)	Percentage of the Company's total purchase for the year	Background of the supplier	Years of business relationship as at 31 December 2025
Supplier A	Coke	254,689	19.63%	Private company	4
Supplier B	Coke	189,300	14.59%	Private company	8
Supplier C	Iron Concentrate	167,375	12.90%	Private company	6
Supplier D	Coke	91,933	7.08%	Private company	4
Supplier E	Anthracite Coal	55,828	4.30%	Private company	1

For the year ended 31 December 2025, the sales to the Company's five largest customers in aggregate contributed 47.93% to the Company's total sales for the year. In particular, the sales to the largest customer contributed 17.36% to the Company's total sales for the year.

So far as the Directors are aware, none of the Directors and close associates (as defined in the Listing Rules) of the Directors or Shareholders (who, to the knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the five largest suppliers or customers during the year.

REPORT OF THE DIRECTORS

KEY RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

Employees

The Group recognises that employees are its most important and valuable assets, while striving to develop a fair, respectful, diversified, cooperative and friendly corporate culture and working environment. With a view to enhancing the satisfactory level of the staff, the Group provides the staff with competitive remuneration packages and implements a sound performance appraisal system with appropriate incentives, and offers comprehensive training programmes, so as to encourage the staff to reach their full potential and contribute their talents.

Suppliers and customers

The Group has formulated criteria for selection of suppliers, in terms of their product offers and operational scale, etc. The Group strives to cooperate and maintain communication with its suppliers to achieve mutual benefit and prosperity for all. The Group strives to provide stable and long term supply of quality products to its customers. During the year ended 31 December 2025, the Group had maintained good working relationship with its suppliers and customers.

For further details, please refer to the 2025 Environmental, Social and Governance Report of the Company.

11. BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings of the Group as at 31 December 2025 are set out in note 34 to the consolidated financial statements.

REPORT OF THE DIRECTORS

12. DIRECTORS AND SENIOR MANAGEMENT

The following table sets forth certain information concerning the Directors and senior management of the Company during the year and up to the date of this report:

Name	Position in the Group	Date of Appointment/Re-election	Position and Date of Resignation
Qiu Yumin	Executive Director, Chief Executive Officer and President and chief executive officer and president of Hanking Australia	Re-elected as executive Director on 20 May 2025 Appointed as Chief Executive Officer and President on 14 January 2026	N/A
Zhang Jing	Executive Director and Board Secretary	Appointed as executive Director on 23 May 2024	N/A
Tang Wenbin	Executive Director and Vice President	Appointed as executive Director on 14 January 2026	N/A
Zhang Junfeng	Executive Director, Vice President and president of Aoniu Mining	Appointed as executive Director on 14 January 2026	N/A
Xia Zhuo	Non-executive Director and Chairman of the Board	Re-elected as non-executive Director on 20 May 2025 Appointed as Chairman of the Board on 14 January 2026	N/A
Zhao Yanchao	Non-executive Director	Appointed as non-executive Director on 23 May 2024	N/A
Wang Ping	Independent non-executive Director	Re-elected as independent non-executive Director on 20 May 2025	N/A
Wang Anjian	Independent non-executive Director	Re-elected as independent non-executive Director on 24 May 2023	N/A
Zhao Bingwen	Independent non-executive Director	Appointed as independent non-executive Director on 23 May 2024	N/A
Tim Sun	Independent non-executive Director	Appointed as independent non-executive Director on 25 March 2026	N/A
Gao Yue	Chief Financial Officer	Appointed as Chief Financial Officer on 27 May 2021	N/A
Yang Jiye	Executive Director, Chairman of the Board and Chief Executive Officer and President	Appointed as Chief Executive Officer and President on 20 March 2018 Re-elected as executive Director on 23 May 2024	Resigned as executive Director, Chairman of the Board and Chief Executive Officer and President on 14 January 2026
Zheng Xuezhi	Executive Director, Chief Operating Officer and Executive Vice President	Appointed as Chief Operating Officer and Executive Vice President on 23 March 2023 Re-elected as executive Director on 24 May 2023	Resigned as executive Director, Chief Operating Officer and Executive Vice President on 14 January 2026
Huang Jinfu	Vice President and director of Aoniu Mining	Appointed as Vice President on 24 August 2018	Retired as Vice President on 17 March 2026

REPORT OF THE DIRECTORS

According to the requirement under Article 84(1) of the Articles of Association, at each annual general meeting, one third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors, being eligible, may offer themselves for re-election. Ms. Zhang Jing, Mr. Zhao Yanchao and Dr. Wang Anjian will retire as Directors at the annual general meeting of the Company to be held on 22 May 2026 and being eligible, offer themselves for re-election as Directors. In view that Dr. Wang Anjian has been an independent non-executive Director for more than nine years, his re-election and further appointment as an independent non-executive Director shall be subject to a separate resolution to be considered and approved by the Shareholders at the forthcoming annual general meeting of the Company pursuant to Rule B.2.3 of the Corporate Governance Code.

According to the requirement under Article 83(3) of the Articles of Association, the Directors may, from time to time and at any time, appoint any person as a Director. Any Director so appointed shall hold office only until the first annual general meeting of the Company following his or her appointment and shall be eligible for re-election at such meeting. Mr. Tang Wenbin and Mr. Zhang Junfeng were appointed as the Directors by the Board on 14 January 2026. Dr. Tim Sun was appointed as the Director by the Board on 25 March 2026. Such appointments shall remain valid until the annual general meeting of the Company to be held on 22 May 2026, and they are eligible to offer themselves for re-election.

13. BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Detailed biographies of Directors and senior management of the Company are set out on pages 75 to 81 of this annual report.

14. DIRECTORS' SERVICE CONTRACT

The Company has entered into a director's service contract with each of the Directors, the major terms of which are that the service contracts shall be: (1) for a term of three years commencing from 17 March 2024 (in the case of Dr. Qiu Yumin, Ms. Zhang Jing, Mr. Xia Zhuo, Mr. Zhao Yanchao, Mr. Wang Ping, Dr. Wang Anjian and Mr. Zhao Bingwen); from 14 January 2026 to 16 March 2027 (in the case of Mr. Tang Wenbin and Mr. Zhang Junfeng); from 25 March 2026 to 16 March 2027 (in the case of Dr. Tim Sun); and (2) terminated or renewed in accordance with their respective contract terms.

Save as disclosed above, the Directors have not signed with the Company service contracts that cannot be terminated by the Company without compensation (exclusive of statutory compensation) within one year.

15. CONFIRMATION OF INDEPENDENCE

The Company has received the written confirmation of their independence for 2025 from each of the independent non-executive Directors and considered them to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgment.

REPORT OF THE DIRECTORS

16. REMUNERATION FOR DIRECTORS AND TOP 5 HIGHEST PAID EMPLOYEES

Detailed information on remuneration for Directors and top 5 highest paid employees are provided in notes 14 and 15 to the consolidated financial statements.

For the year ended 31 December 2025, none of the Directors has agreed with the Company to waive any remuneration.

The remuneration for the Directors was proposed by the Remuneration Committee and approved by the Board. The Remuneration Committee would take into account (among others) remuneration paid by comparable companies, conditions of employment, responsibilities and individual performance when proposing the remuneration.

17. RESTRICTED SHARE AWARD SCHEME

The Company adopted a Restricted Share Award Scheme (the “**Scheme**”) on 29 August 2019 which shall be valid and effective for a period of 10 years. The remaining life of the Scheme is around 3 years. The purpose and objective of the Scheme is (i) to recognize and motivate the contribution of the key management personnel and core employees of the Group; (ii) to help the Group retain and attract the Selected Participants (as defined below) in attaining the long term business objectives of the Company; and (iii) to further align the interests of the Selected Participants directly to the Shareholders through ownership of Shares.

Pursuant to the Scheme, the Board may, from time to time, in its absolute discretion, decide the eligible participants (the “**Selected Participants**”) after taking into consideration various factors as they deem appropriate and determine the number of Shares to be granted (the “**Award Shares**”) to each of the Selected Participants and the grant price of the Award Shares (the “**Grant Price**”). The eligible participants include Directors, senior management and core employees of the Group. In determining the Grant Price for each Selected Participant, the Board shall take into consideration matters, including but not limited to, the Selected Participant’s position, experience, years of service, performance and contribution to the Group and the market price of the Shares.

The maximum number of Award Shares that may be granted under the Scheme in aggregate shall be no more than 90,000,000 Shares, representing 4.02% of the total issued Shares as at the date of this report. There is no limitation on the maximum entitlement of each Selected Participant under the Scheme.

The Company, as the settlor, has entered into a trust deed with First Shanghai Securities Limited (第一上海證券有限公司) (the “**Trustee**”) in respect of the appointment of the Trustee for the administration of the Scheme. The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme (the “**Scheme Rules**”) and the trust deed. The Board may act through its authorized representative and has duly authorized the Chief Executive Officer and President of the Company to give instructions or notices to the Trustee on matters in connection with the operation and administration of the Scheme and the trust. The Trustee shall hold the Shares and the income derived therefrom in accordance with the Scheme Rules and the terms of the trust deed.

REPORT OF THE DIRECTORS

Pursuant to the Scheme Rules, the Board shall cause to pay the Trustee the purchase price and the related expenses from the Group's resources for the Award Shares and the Trustee shall apply the purchase price to purchase from the market all of the Award Shares to be awarded under the Scheme and shall hold such Shares until they are vested with the Selected Participants in accordance with the Scheme Rules and the trust deed. For the avoidance of doubt, all Shares purchased as aforesaid shall only be used for allocation to the Selected Participants in accordance with the Scheme Rules.

The Award Shares and any rights and interests (including voting rights) therein may not be enjoyed, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by the Selected Participants before the Award Shares are vested. The Board may also impose additional restrictions as it deems appropriate.

A Selected Participant shall be entitled to receive the Award Shares held by the Trustee, and Award Shares shall vest in three (3) years, of which one third of a Selected Participant's applicable Award Shares shall become vested upon each of the first anniversary, the second anniversary, and the third anniversary.

The Trustee shall not exercise the voting rights in respect of any Shares held under the trust including but not limited to the Award Shares.

As of the date of this report, the Trustee, as instructed by the Board, had purchased a total of 39,539,000 Shares on the market at a total consideration of HKD50,438,200 (No Shares were purchased during the year ended 31 December 2025). The Trustee holds these Shares pursuant to the Scheme Rules and the terms of the trust deed. Since the adoption of the Scheme and up to the date of this report, no Award Shares have been granted to any Selected Participants under the Scheme. Accordingly, 90,000,000 Award Shares were available for grant under the Scheme as of 1 January 2025, 31 December 2025, and the date of this report (representing approximately 4.02% of the issued Shares as at the date of this report). There is no service provider sublimit under the Scheme.

For further details of the Scheme, please refer to the announcement of the Company dated 29 August 2019.

18. SUBSIDIARY SHARE OPTION SCHEME

On 4 July 2025, the Company adopted the share option scheme of Hanking Gold Limited (the "**Scheme**"). For the avoidance of doubt, Hanking Gold Limited does not constitute a principal subsidiary of the Company under Rule 17.14 of the Listing Rules. Accordingly, the relevant requirements in relation to share schemes of principal subsidiaries of the listed issuer under Chapter 17 of the Listing Rules are not applicable.

The purpose of the Scheme is to better attract outstanding talents to join, retain the existing excellent employees, and stimulate the work enthusiasm of teams of Hanking Gold Limited and its related body corporates, thereby accelerating the Company's goal of becoming a gold producer. The proposed grantees of the Scheme are (i) the employees and directors of Hanking Gold Limited and its related body corporates; and (ii) the stakeholders of Hanking Gold Limited and its related body corporates. The board of directors of Hanking Gold Limited will have the authority to decide on the specific implementation plan of the Scheme, and make appropriate decisions to grant options to eligible grantees and set relevant performance targets in accordance with the future development plan of the gold business.

REPORT OF THE DIRECTORS

The Scheme mandate limit is 10% of the shares of Hanking Gold Limited in issue on the date on which the Scheme was adopted, being 208,510,638 shares of Hanking Gold Limited. The Scheme shall be valid for a period of 10 years from the date of adoption. The Scheme will be expired on 4 July 2035.

On 27 October 2025, Hanking Gold Limited granted an aggregate of 78,000,000 share options (the “**Share Options**”) to subscribe for ordinary shares of Hanking Gold Limited, comprising (i) 25,000,000 Share Options granted to Dr. Qiu Yumin, an executive Director; (ii) 10,000,000 Share Options granted to Mr. Tang Wenbin, an executive Director; (iii) 5,000,000 Share Options granted to Ms. Zhang Jing, an executive Director; and (iv) 38,000,000 Share Options granted to other employees of Hanking Gold Group Limited and its related body corporates. The consideration for the Share Options granted is nil. Each Share Option shall entitle the holder to subscribe for one share upon exercise of such Share Option at an exercise price of HKD1 per share of Hanking Gold Limited.

The abovementioned Share Options shall be vested on each grantee in the following phases subject to the key performance indicators as follows:

Vesting conditions (key performance indicators)	Vesting percentage
Construction of processing plant of Mt Bundy gold mine	20%
First gold pour of Mt Bundy gold mine	20%
Full production capacity of Mt Bundy gold mine with an annual output of 130,000 ounces of gold	20%
Construction of processing plant of Cygnet gold mine	15%
First gold pour of Cygnet gold mine	15%
Full production capacity of Cygnet gold mine with an annual output of 90,000 ounces of gold	10%

For further details of the Scheme, please refer to the announcements of the Company dated 4 July 2025, 27 October 2025 and 14 January 2026.

19. CONTRACTS OF SIGNIFICANCE

For the year ended 31 December 2025, save as disclosed in note 47 to the consolidated financial statements, the Company has not directly or indirectly entered into transactions, arrangements or contracts of significance, in which any Director had material interests, and which were relevant to the business of the Company and remained valid at any time during the year or at the end of the year.

For the year ended 31 December 2025, save as disclosed in note 47 to the consolidated financial statements, neither the Company nor any of its subsidiaries have signed a significant contract with the Controlling Shareholders or any of its subsidiaries other than the Group, and no significant contract for delivery of service has been signed between the Group and the Controlling Shareholders or any of its subsidiaries other than the Group.

REPORT OF THE DIRECTORS

20. INDEMNITIES MADE TO THE DIRECTORS

According to Article 164 of the Articles of Association, the Directors shall be entitled to be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which may incur or sustain in the execution of their duties. The Company has purchased appropriate directors and senior management liabilities insurance for the Directors and senior management of the Group.

21. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS**(1) Excluded Businesses**

All excluded businesses disclosed in the Prospectus were sold to the independent third parties by the Controlling Shareholders. However, Hanking Group controlled by a Controlling Shareholder acquired Fushun Majuncheng Iron Co., Ltd. ("**Fushun Majuncheng**") in 2016. Fushun Majuncheng engages in the mining and processing of iron ore, which compete against the businesses of the Company. Nevertheless, the Directors are of the opinion that Fushun Majuncheng currently has limited resources and production capacity. Therefore, the Company currently does not intend to acquire Fushun Majuncheng.

To the best knowledge of the Directors and based on the information available to the Directors, financial information of the excluded businesses for the past three years (audited) is as follows:

	For the year ended 31 December (Unit: RMB'000)		
	2025	2024	2023
Total assets	460,132	456,542	457,127
Total liabilities	406,596	374,492	359,270
(Loss)	(26,465)	(19,018)	(14,579)

(2) Directors' and Controlling Shareholders' Positions in Competing Business

As at 31 December 2025, save as disclosed below, the Directors and their associates did not hold any interests in any business which, either directly or indirectly, competes or is likely to compete against the business of the Group:

Name of Director	Position in the Company	Position in Competing Business
Xia Zhuo	Non-executive Director and Chairman of the Board	Director of Hanking Group

REPORT OF THE DIRECTORS

22. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

So far as the Company is aware, as at 31 December 2025, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions taken or deemed to have under such provisions of the SFO), or was, pursuant to Section 352 of the SFO, required to be recorded in the register referred to therein, or was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

(1) Interests in the Shares of the Company:

Name of Director and Chief Executive	Status/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding
Yang Jiye ¹	Interest in controlled corporation	1,353,061,666 (long position)	66.49%
Xia Zhuo ²	Interest in controlled corporation	9,868,133 (long position)	0.48%
	Beneficial owner	140,000 (long position)	Less than 0.01%
Zheng Xuezhi	Beneficial owner	8,643,000 (long position)	0.42%
Zhang Jing ³	Interest in controlled corporation	19,626,000 (long position)	0.96%
	Beneficial owner	531,000 (long position)	0.03%

Notes:

- Mr. Yang Jiye holds 100% interest in each of Bisney Success Limited and Tuochuan Capital Limited. As a result, Mr. Yang Jiye is deemed to hold interest in 733,360,500 Shares held by Bisney Success Limited and 619,701,166 Shares held by Tuochuan Capital Limited.
- Mr. Xia Zhuo holds 100% interest in Splendour Ventures Limited. As a result, Mr. Xia Zhuo is deemed to hold interest in 9,868,133 Shares held by Splendour Ventures Limited. The accurate percentage of the 140,000 Shares beneficially owned by Mr. Xia Zhuo is 0.00687961%.
- QianLong Wealth Limited is indirectly held as to 99% by Futu Trustee Limited and 1% by Ms. Zhang Jing. Futu Trustee Limited is the trustee of the Yuanheng Trust, of which Ms. Zhang Jing is the settlor and one of the beneficiaries. Thus Ms. Zhang Jing is deemed to have an interest in 19,626,000 Shares held by QianLong Wealth Limited.

REPORT OF THE DIRECTORS

(2) Interests in the shares of associated corporations of the Company:

Name of Director and Chief Executive	Name of Associated Corporation	Status/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding
Qiu Yumin ¹	Hanking Gold Limited	Interest in controlled corporation	71,253,191 (long position)	2.80%
Yang Jiye ²	Hanking Gold Limited	Interest in controlled corporation	20,851,064 (long position)	0.82%
Zheng Xuezhi ³	Hanking Gold Limited	Interest in controlled corporation	20,851,064 (long position)	0.82%
Zhang Jing ⁴	Hanking Gold Limited	Interest in controlled corporation	20,851,064 (long position)	0.82%

Notes:

1. Dr. Qiu Yumin and his spouse jointly hold 100% equity interests in Golden Resource Investment Pty Ltd ATF Golden Discovery Holdings Trust and Qiu Family Super Pty Ltd ATF Qiu Family Super Fund. Hence, Dr. Qiu Yumin is deemed to be interested in 66,033,191 shares of Hanking Gold Limited held by Golden Resource Investment Pty Ltd ATF Golden Discovery Holdings Trust and 5,220,000 shares of Hanking Gold Limited held by Qiu Family Super Pty Ltd ATF Qiu Family Super Fund.
2. Mr. Yang Jiye holds 100% interest in Tuochuan Capital Limited. As a result, Mr. Yang Jiye is deemed to be interested in 20,851,064 shares of Hanking Gold Limited held by Tuochuan Capital Limited.
3. Mr. Zheng Xuezhi holds 100% interest in Mingde Capital Limited. As a result, Mr. Zheng Xuezhi is deemed to be interested in 20,851,064 shares of Hanking Gold Limited held by Mingde Capital Limited.
4. QianLong Wealth Limited is indirectly held as to 99% by Futu Trustee Limited and 1% by Ms. Zhang Jing. Futu Trustee Limited is the trustee of the Yuanheng Trust, of which Ms. Zhang Jing is the settlor and one of the beneficiaries. As a result, Ms. Zhang Jing is deemed to be interested in 20,851,064 shares of Hanking Gold Limited held by QianLong Wealth Limited.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position taken or deemed to have under such provisions of the SFO), or which was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in paragraph 18 "Subsidiary Share Option Scheme" above, at no time during the year ended 31 December 2025 was the Company, its holding company, or any of its subsidiaries or associated corporations, a party to any arrangement which enables the Directors and chief executives of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of acquisition of shares, underlying shares or debentures of the Company or any of its associated corporations.

REPORT OF THE DIRECTORS

23. SUBSTANTIAL SHAREHOLDERS' INTERESTS OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, as far as the Directors, having made all reasonable enquiries, are aware, the following persons had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Status/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding
Yang Jiye ¹	Interest in controlled corporation	1,353,061,666 (long position)	66.49%
Bisney Success Limited	Beneficial owner	733,360,500 (long position)	36.04%
Tuochuan Capital Limited	Beneficial owner	619,701,166 (long position)	30.45%
Yang Min ²	Interest in controlled corporation	6,025,000 (long position)	0.30%
China Hanking (BVI) Limited	Beneficial owner	6,025,000 (long position)	0.30%
Bank of Fushun Co.,Ltd., Xinfu Branch ³	Person having a security interest in Shares	500,000,000 (long position)	24.57%
China Citic Bank Corporation Limited, Fushun Branch ⁴	Person having a security interest in Shares	280,000,000 (long position)	13.76%

Notes:

1. Mr. Yang Jiye holds 100% interest in each of Bisney Success Limited and Tuochuan Capital Limited. As a result, Mr. Yang Jiye is deemed to hold interest in 733,360,500 Shares held by Bisney Success Limited and 619,701,166 Shares held by Tuochuan Capital Limited.
2. Ms. Yang Min holds 100% interest in China Hanking (BVI) Limited. Thus Ms. Yang Min is deemed to have an interest in 6,025,000 Shares held by China Hanking (BVI) Limited.
3. On 11 June 2025, Bisney Success Limited and Tuochuan Capital Limited pledged 200,000,000 Shares and 300,000,000 Shares respectively in favour of Bank of Fushun Co.,Ltd., Xinfu Branch as securities for certain loans. Details of which are set out in the announcement of the Company dated 11 June 2025.
4. On 26 March 2025, Bisney Success Limited pledged 280,000,000 Shares in favour of China Citic Bank Corporation Limited, Fushun Branch as security for a term loan facility. Details of which are set out in the announcement of the Company dated 26 March 2025.

Save as disclosed above, as at 31 December 2025, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

REPORT OF THE DIRECTORS

24. MANAGEMENT CONTRACTS

For the year ended 31 December 2025, there is no contract entered into by the Company or subsisting relating to the management and administration of the entire or any substantial part of business of the Company.

25. CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the Group carried out the following certain one-off connected transactions:

a. Acquisition of 6% of the Share Capital in Hanking Australia

On 16 July 2025, Hanking Gold Limited (a subsidiary of the Company), entered into a share sale agreement with Golden Resource Investment Pty Ltd ATF Golden Discovery Holdings Trust ("**Golden Resource**"), Tuochuan Capital Limited, Mingde Capital Limited and QianLong Wealth Limited (collectively, the "**Sellers**"), pursuant to which, Hanking Gold Limited has agreed to acquire, and the Sellers have agreed to sell, an aggregate of 6% of the share capital in Hanking Australia for a total consideration of AUD2,520,000. The consideration was settled by the allotment and issuance of 6% of the share capital in Hanking Gold Limited. Upon completion of the acquisition, Hanking Gold Limited's shareholding in Hanking Australia increased from 94% to 100%.

On 16 July 2025, the beneficial owner of each of the Sellers was an executive Director of the Company, hence, each of the Sellers was the connected person of the Company. Details of which are set out in the announcement of the Company dated 16 July 2025.

b. Acquisition of 6.63% of the Share Capital in Cygnet Gold Pty Ltd

On 27 October 2025, Watkins Gold Pty Ltd ("**Watkins Gold**"), a subsidiary of the Company, entered into share sale agreements with Qiu Family Super Pty Ltd ATF Qiu Family Super Fund ("**Qiu Family**"), Golden Resource and the minority shareholders of Cygnet Gold Pty Ltd ("**Cygnet Gold**") respectively. Pursuant to which, Watkins Gold agreed to acquire and the sellers agreed to sell a total of 6.63% equity interest in Cygnet Gold for a total consideration of AUD16,600,000. Among which, the consideration for the acquisition of a total of 2.75% equity interest from Qiu Family and Golden Resource was AUD6,900,000; and the consideration for the acquisition of a total of 3.88% equity interest from the independent third-party minority shareholders was AUD9,700,000. The consideration was determined after arm's length negotiations with reference to the resources, development stage of the Cygnet Gold Project and the then gold price.

As both Qiu Family and Golden Resource are ultimately controlled by Dr. Qiu Yumin ("**Dr. Qiu**"), an executive Director of the Company, they are connected persons of the Company and the acquisition involving such entities constitutes a connected transaction. The acquisition was intended to enable the Group to hold 100% equity interest in Cygnet Gold. Details are set out in the announcement of the Company dated 27 October 2025.

REPORT OF THE DIRECTORS

c. **Capital Increase of Hanking Gold Limited**

On 27 October 2025, Hanking Gold Limited, a subsidiary of the Company, entered into subscription agreements with Qiu Family and Golden Resource. Pursuant to which, Hanking Gold Limited agreed to allot and issue, and Qiu Family and Golden Resource agreed to subscribe for, a total of 8,700,000 shares of Hanking Gold Limited at a subscription price of HKD2.62 per share, for a total consideration of approximately HKD22,790,000. The subscription price was determined after arm's length negotiations between the subscribers and Hanking Gold Limited with reference to the gold resources, reserves, and feasibility studies of Hanking Gold Limited, and a comparison with project statuses of similar projects in the global market.

Both Qiu Family and Golden Resource are ultimately controlled by Dr. Qiu, an executive Director of the Company. Accordingly, the subscribers are connected persons of the Company. The transaction was intended to demonstrate confidence in the Cygnet Gold Project and the future development of Hanking Gold Limited. Details are set out in the announcement of the Company dated 27 October 2025.

d. **Redemption of Share Options Held by a Connected Person**

On 27 October 2025, Hanking Australia, a subsidiary of the Company, issued a notice to redeem and cancel 4,200,000 outstanding share options granted to Dr. Qiu, an executive Director, under the Hanking Australia share option scheme. The redemption price for each share option held by Dr. Qiu was AUD1.91, with a total consideration of approximately AUD8,020,000. The redemption price was determined with reference to the prevailing exercise price at the time of grant and the current valuation of the relevant gold projects of Hanking Australia.

Dr. Qiu is an executive Director and a connected person of the Company. The purpose of the redemption was to facilitate the proposed spin-off and simplify the shareholding structure of Hanking Gold Limited. Details are set out in the announcement of the Company dated 27 October 2025.

e. **Grant of Share Options under a Subsidiary Share Option Scheme to Connected Persons**

The grant of 25,000,000 Share Options to Dr. Qiu, 10,000,000 Share Options to Mr. Tang Wenbin and 5,000,000 Share Options to Ms. Zhang Jing, respectively, being Directors of the Company, by Hanking Gold Limited constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Details are set out in paragraph 18 "Subsidiary Share Option Scheme" of the "Report of the Directors" above.

REPORT OF THE DIRECTORS

f. Lease of Premises

On 23 December 2025, Fushun Hanking Ginseng & Iron Trading Company Limited (“**Hanking Ginseng & Iron**”) (as tenant), which is an indirect wholly-owned subsidiary of the Company, entered into a lease agreement with Shenyang Shengtai Properties Management Company Limited (“**Shengtai Properties**”) (as landlord). According to the agreement, Hanking Ginseng & Iron continued to lease office premises located at No. 227, Qingnian Street, Shenhe District, Shenyang City, Liaoning Province, with a leased area of approximately 3,477 m² from Shengtai Properties, and engage Shengtai Properties to provide property management service for a term of three years commencing from 1 January 2026 and expiring on 31 December 2028. The rental is RMB2,346,990.00 per year, and the property management fee is RMB1,251,810.00 per year.

Shengtai Properties is ultimately controlled by Mr. Yang Jiye (Controlling Shareholder of the Company), and hence is a connected person of the Company. Details of which are set out in the announcement of the Company dated 23 December 2025.

Related Party Transactions

Related party transactions of the Group for the year ended 31 December 2025 are set out in note 47 to the consolidated financial statements. Save as disclosed above, none of the aforesaid related-party transactions set out fall within the scope of discloseable connected transaction or continuing connected transaction under the Listing Rules. The Group has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

26. COMPLIANCE WITH NON-COMPETITION AGREEMENT

The Company signed a non-competition agreement (the “**Non-Competition Agreement**”) with the Controlling Shareholders on 16 June 2011. In accordance with the Non-Competition Agreement, the independent non-executive Directors are responsible for reviewing and considering whether to exercise such option and pre-emptive right, as well as entitled to conduct annual review on the compliance with the undertakings under the Non-Competition Agreement on behalf of the Company. During the year of 2025, each Controlling Shareholder has made annual confirmation of compliance with the Non-Competition Agreement, and the independent non-executive Directors have also reviewed the implementation of the Non-Competition Agreement, and confirmed that the Controlling Shareholders have fully abided by the agreement without any breach of the agreement.

27. RETIREMENT AND EMPLOYEES’ BENEFIT PLAN

Detailed information on the retirement and employees’ benefit plan of the Company is provided in note 41 to the consolidated financial statements.

REPORT OF THE DIRECTORS

28. COMPLIANCE WITH CORPORATE GOVERNANCE CODE AND LAWS AND REGULATIONS

Save as disclosed herein, during the year ended 31 December 2025, the Company has complied with the principles and all the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules and, meanwhile, complied with most of the best practices as recommended therein. Please refer to the Corporate Governance Report of this annual report for details.

From 20 March 2018 to 13 January 2026, Mr. Yang Jiye was the Chairman of the Board, Executive Director, and also the Chief Executive Officer and President of the Company. Such arrangement did not comply with the requirement under Code Provision C.2.1 of Part 2 of the Corporate Governance Code in Appendix C1 of the Listing Rules that the roles of chairman and chief executive officer should be segregated. However, during the Reporting Period, the Company considered that the appointment of Mr. Yang Jiye as both Chairman of the Board and Chief Executive Officer provided strong and consistent leadership and allowed more effective formulation and implementation of long-term business strategies, which was beneficial to the overall development of the Company. The Company's decision-making structure required all material decisions to be made by all directors collectively to ensure a balanced distribution of powers and authority.

On 14 January 2026, Mr. Yang Jiye resigned from his positions as Chairman of the Board, Executive Director, Chief Executive Officer and President of the Company. On the same date, the Company appointed Mr. Xia Zhuo as Chairman of the Board and Dr. Qiu Yumin as Chief Executive Officer and President respectively. Since then, the roles of Chairman of the Board and Chief Executive Officer of the Company have been formally segregated and the Company is now fully in compliance with Code Provision C.2.1 of the Corporate Governance Code. Further details are set out in the Company's announcement dated 14 January 2026.

The Group recognises the importance of compliance with regulatory requirements. During the year, the Company has complied, to the best of our knowledge, with the Companies Law of the Cayman Islands, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Listing Rules, the SFO, and other relevant rules and regulations. Besides, the subsidiaries within the Group continued to comply with their applicable local laws. During the year, the Company was not aware of any particular law and regulation that would have a significant impact on the Group's operation.

29. ENVIRONMENTAL PROTECTION AND SOCIAL RESPONSIBILITY

The Company strives to fulfil its social responsibilities in all major areas, including environmental protection. It promotes energy-efficient business model which emphasizes conservation and efficient use of resources, and enhances efforts in recycling and reuse to avoid wastage. The Group regards emission reduction and meeting the emission standards as its major tasks in undertaking environmental protection responsibilities. Through technical measures and recycling initiatives, it lowers the generation and emission of wastes. In order to minimize emission of greenhouse gas, the Group has implemented the policy designed to reduce business travel and encourages employees to hold telephone conferences in place of overseas business trips (if possible) and travel with public transport. For details, please refer to the Environmental, Social and Governance Report of the Company.

REPORT OF THE DIRECTORS

30. PUBLIC FLOAT

Based on the information publicly available to the Company, and to the knowledge of the Directors, the public held not less than 25% of Shares as at the Latest Practicable Date prior to the issue of this annual report, which was in compliance with the requirement of the Listing Rules.

31. SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2025, the Group was not involved in any significant legal proceedings or arbitration. To the knowledge of the Directors, there are no significant legal proceedings or claims pending or threatened.

32. AUDIT COMMITTEE

The Audit Committee has reviewed the annual results announcement of the Company for 2025 and the consolidated financial statements for the year ended 31 December 2025.

33. AUDITOR

The consolidated financial statements stated in this annual report have been audited by the Company's auditor Deloitte Touche Tohmatsu. A resolution for re-appointing Deloitte Touche Tohmatsu as the auditor for the ensuing year is to be proposed at the forthcoming annual general meeting of the Company. The auditor of the Company has not changed in the past three years.

34. FINANCIAL HIGHLIGHTS

The operating performance, assets and liability highlights of the Group for the last five fiscal years are stated on page 5 of this annual report.

35. FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANY BY THE COMPANY

For the year ended 31 December 2025, the Company has not granted financial assistance and guarantee to its affiliated company.

36. LOAN TO A GIVEN ENTITY

For the year ended 31 December 2025, the Group has not granted a loan to a given entity.

REPORT OF THE DIRECTORS

37. CONTINUING DISCLOSURE UNDER THE LISTING RULES

On 26 March 2025, Bisney Success Limited (“**Bisney Success**”) pledged 280,000,000 Shares (representing approximately 14.29% of the issued share capital of the Company as at 26 March 2025) in favour of China Citic Bank Corporation Limited, Fushun Branch (中信銀行股份有限公司撫順分行) (the “**Citic Bank**”) as security for a term loan facility up to a maximum aggregate amount of RMB80,000,000 provided by the Citic Bank to Aoniu Mining, a subsidiary of the Company. Details of which are set out in the announcement of the Company dated 26 March 2025.

On 11 June 2025, Bisney Success and Tuochuan Capital Limited (“**Tuochuan Capital**”) pledged 200,000,000 Shares and 300,000,000 Shares respectively (representing approximately 10.20% and 15.31% of the issued share capital of the Company as at 11 June 2025, respectively) in favour of Bank of Fushun Co., Ltd., Xinfu Branch (撫順銀行股份有限公司新撫支行) (the “**Lender**”). Of the aforementioned pledged Shares, 100,000,000 Shares (representing approximately 5.10% of the issued share capital of the Company as at 11 June 2025) were pledged by Tuochuan Capital in favour of the Lender as security for a loan in the amount of RMB120,500,000 for Hanking D. R. I., a subsidiary of the Company, as general working capital under the new loan agreement dated 11 June 2025. Details of which are set out in the announcement of the Company dated 11 June 2025.

Saved as disclosed above, the Company had no other disclosure obligations under Rule 13.20, Rule 13.21 and Rule 13.22 of the Listing Rules as of 31 December 2025.

38. TAXATION RELIEF

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

39. DEBENTURES

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

40. EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2025, no equity-linked agreements were entered into by the Company or subsisted at the end of that year.

REPORT OF THE DIRECTORS

41. CHARITABLE DONATIONS

The Group made donation for charitable purposes in an aggregate amount of RMB975,000 during the year ended 31 December 2025.

42. ISSUE OF NEW SHARES UNDER THE GENERAL MANDATE

The issue of new Shares under the General Mandate is for the development of the Cygnet and Mt Bundy gold mining projects in Australia (the “**Australian Gold Mining Projects**”). On 22 September 2025 (after trading hours), the Company entered into the subscription agreements with the subscribers (i) Zijin Global Fund; and (ii) Gold Mountains (H.K.) International Mining Company Limited, pursuant to which the subscribers conditionally agreed to subscribe for an aggregate of 75,000,000 ordinary Shares of the Company with a nominal value of HKD0.10 per Share at the subscription price of HKD3.13 per subscription share, with the aggregate nominal value of the subscription shares amounting to HKD7,500,000.

On 29 September 2025, all the conditions set out in the subscription agreement were satisfied and the subscription was completed. Pursuant to the terms of the subscription agreement, a total of 75,000,000 subscription shares were successfully allotted and issued to the subscribers at the subscription price of HKD3.13 per subscription share, comprising (i) 25,000,000 Shares allotted and issued to Zijin Global Fund; and (ii) 50,000,000 Shares allotted and issued to Gold Mountains (H.K.) International Mining Company Limited. The gross proceeds from the subscription amounted to approximately HKD234.75 million, while the net proceeds amounted to approximately HKD231.67 million. The estimated net subscription price per subscription share was approximately HKD3.09 per Share. The closing price of the Company’s Shares quoted on the Hong Kong Stock Exchange was HKD3.67 per Share on the date of the subscription agreement, i.e. 22 September 2025.

The Company intends to apply the net proceeds from the subscription together with the Company’s own capital to support the development of the Australian Gold Mining Projects by Hanking Gold Limited, a non-wholly owned subsidiary of the Company.

Details of the above are set out in the Company’s announcements dated 22 September and 29 September 2025.

On 30 September 2025, the Company applied all the net proceeds from the subscription to subscribe for the shares in Hanking Gold Limited at a price of HKD2.62 per share. The application of such proceeds is in line with the previously disclosed plans of the Company. As at 31 December 2025, the unutilised amount of the net proceeds from the subscription was nil.

REPORT OF THE DIRECTORS

43. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

On 21 January 2026, the Company entered into the subscription agreements with four subscribers respectively, pursuant to which the subscribers have conditionally and severally agreed to subscribe for, and the Company has conditionally agreed to issue and allot, an aggregate of 43,960,000 subscription shares at the subscription price of HKD3.80 per subscription share. On 22 January 2026, the Company entered into the placing agreement with the placing agents, pursuant to which the placing agents have conditionally and severally agreed, as the Company's placing agents, to procure, on a best efforts basis, no less than six placees to subscribe for up to 162,040,000 new Shares at the placing price of HKD3.80 per Share. Further details are set out in the announcement of the Company dated 22 January 2026.

By order of the Board

Mr. Xia Zhuo

Chairman of the Board and non-executive Director

25 March 2026

CORPORATE GOVERNANCE REPORT

The Company believes that good corporate governance provides a framework that is essential for ensuring effective management, business growth and Shareholder value. The Company has adopted the Corporate Governance Policies, which are prepared in accordance with the principles, code provisions and certain recommended best practices of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and is in the best interest of the Company and its Shareholders. During the year ended 31 December 2025, save as disclosed in paragraph 28 “Compliance with Corporate Governance Code and Laws and Regulations” of the section headed “Report of the Directors” above, the Company has complied with the Corporate Governance Policies as well as the principles and all the applicable code provisions of the Corporate Governance Code. Meanwhile, it has also complied with most of the recommended best practices of the Corporate Governance Code. Details of the code provisions adopted and complied with by the Company during the period are set out below.

BOARD COMPOSITION

The Board is collectively responsible to all Shareholders for leading and overseeing the Group’s business, and is in charge of operation and decision making. The Board is mainly responsible for formulating the business strategies, objectives, policies and plans of the Company, and monitoring the execution of the Company’s strategies. It is also responsible for overseeing and controlling the operational and financial performance of the Company and establishing appropriate risk management policies and procedures in order to ensure that the strategic objectives of the Group are materialized. In addition, the Board is also responsible for improving the corporate governance structure and enhancing communications with the Shareholders. The management of the Company headed by the Chief Executive Officer is responsible to the Board and executes the strategies and plans formulated by the Board, and makes decisions for day-to-day operation. The management of the Company shall report monthly to the Board on the operational and financial performance of the Company.

For the period from 1 January 2025 to the Latest Practicable Date, the re-designation, resignation and appointment of Directors are set out as follows:

At the annual general meeting of the Company held on 20 May 2025: (i) in accordance with Article 84(1) of the Articles of Association, Dr. Qiu Yumin (executive Director), Mr. Xia Zhuo (non-executive Director) and Mr. Wang Ping (independent non-executive Director) retired by rotation at the annual general meeting, and offered themselves for re-election; (ii) Ms. Zhang Jing, currently an executive Director, was duly appointed as a member of the Nomination Committee; and (iii) Mr. Zhao Bingwen, currently an independent non-executive Director, was duly appointed as a member of the Nomination Committee.

At the Board meeting of the Company held on 14 January 2026: (i) Mr. Yang Jiye resigned as an executive Director, the Chairman of the Board, the Chief Executive Officer and the President of the Company as he would like to devote more time to his other business commitments, and also ceased to be the chairperson of the Nomination Committee and a member of the HSEC Committee; (ii) Mr. Zheng Xuezhi resigned as an executive Director, the Chief Operating Officer and the Executive Vice President of the Company, as he would like to devote more time to his other business commitments; (iii) Mr. Tang Wenbin was duly appointed as an executive Director; (iv) Mr. Zhang Junfeng was duly appointed as an executive Director; (v) Dr. Qiu Yumin, currently an executive Director, was duly appointed as the Chief Executive Officer and the President of the Company; (vi) Mr. Xia Zhuo, currently a non-executive Director, was duly appointed as the Chairman of the Board and, meanwhile, as a chairperson of the Nomination Committee, and (vii) Ms. Zhang Jing, currently an executive Director, was duly appointed as a member of the HSEC Committee.

At the Board meeting of the Company held on 25 March 2026, Dr. Tim Sun was duly appointed as an independent non-executive Director.

Mr. Tang Wenbin and Mr. Zhang Junfeng had confirmed that on 14 January 2026, and Dr. Tim Sun had confirmed that on 27 November 2025, they obtained legal advice under Rule 3.09D of the Listing Rules and understood their obligations as Directors.

CORPORATE GOVERNANCE REPORT

Given the above retirement and appointment of Directors, details of the Directors during the period from 1 January 2025 to the Latest Practicable Date will be presented respectively as follows:

During the period from 1 January 2025 to 13 January 2026, the Board consisted of the following nine members:

Non-executive Directors	Executive Directors	Independent non-executive Directors
Mr. Xia Zhuo	Mr. Yang Jiye (<i>Chairman, Chief Executive Officer and President</i>)	Mr. Wang Ping
Mr. Zhao Yanchao	Mr. Zheng Xuezhi (<i>Chief Operating Officer and Executive Vice President</i>)	Dr. Wang Anjian
	Dr. Qiu Yumin	Mr. Zhao Bingwen
	Ms. Zhang Jing	

During the period from 14 January 2026 to 24 March 2026, the Board consisted of the following nine members:

Non-executive Directors	Executive Directors	Independent non-executive Directors
Mr. Xia Zhuo (<i>Chairman</i>)	Dr. Qiu Yumin (<i>Chief Executive Officer and President</i>)	Mr. Wang Ping
Mr. Zhao Yanchao	Ms. Zhang Jing	Dr. Wang Anjian
	Mr. Tang Wenbin	Mr. Zhao Bingwen
	Mr. Zhang Junfeng	

On 25 March 2026 (the Latest Practicable Date), the Board consisted of the following ten members:

Non-executive Directors	Executive Directors	Independent Non-executive Directors
Mr. Xia Zhuo (<i>Chairman</i>)	Dr. Qiu Yumin (<i>Chief Executive Officer and President</i>)	Mr. Wang Ping
Mr. Zhao Yanchao	Ms. Zhang Jing	Dr. Wang Anjian
	Mr. Tang Wenbin	Mr. Zhao Bingwen
	Mr. Zhang Junfeng	Dr. Tim Sun

During the Reporting Period, the Company has appointed a sufficient number of independent non-executive Directors who are equipped with relevant qualification in accordance with the requirements of the Listing Rules.

As of 31 December 2025, the Company had three independent non-executive Directors in total, representing one-third of the total number of Directors. Mr. Wang Ping has over 29 years' experience in corporate finance, audit, accounting and taxation; Dr. Wang Anjian has extensive experience in research of resource strategy; and Mr. Zhao Bingwen has extensive experience in the research and measurement of carbon neutrality.

Details of the Directors' biographies are disclosed in the section headed "Biographies of Directors and Senior Management" of this annual report. None of the members of the Board has any relationship with other members.

CORPORATE GOVERNANCE REPORT

BOARD SKILLS MATRIX

The table below sets out the skills and professional knowledge most relevant to the strategy and business of the Company for the Board of Directors as of 31 December 2025. These skills and professional knowledge enable the Board to effectively discharge its duties and responsibilities in order to achieve the Company's strategic objectives and foster the sustainable and balanced development of the Group, particularly in the following areas:

- Continuously create value and build a lasting enterprise to become a well-known international group enterprise loved by employees, satisfactory to Shareholders, respected by society and trusted by the government;
- Implement the eight-character production policy of "Safety, Cleanliness, Quality and Efficiency" to achieve the enterprise tenet of "Safety, Harmony and Green"; and
- Promote a positive and progressive culture within the Group to support the long-term sustainable development of the Group, and commit to fulfilling corporate social responsibilities.

SKILLS AND EXPERIENCE OF DIRECTORS

	Legal Professional/ Corporate Governance & Compliance/ Risk Management	Accounting Professional/ Financial Management Expertise	Mining Exploration, Development and Operation	Capital Operation and Finance	Executive Leadership & Strategy	ESG General Practices
Non-executive Directors						
Mr. Xia Zhuo	✓		✓		✓	
Mr. Zhao Yanchao	✓	✓		✓	✓	
Executive Directors						
Mr. Yang Jiye	✓	✓	✓	✓	✓	✓
Mr. Zheng Xuezhi	✓	✓	✓	✓	✓	
Dr. Qiu Yumin	✓		✓	✓	✓	✓
Ms. Zhang Jing	✓			✓	✓	✓
Independent Non-Executive Directors						
Mr. Wang Ping	✓	✓		✓	✓	
Dr. Wang Anjian			✓		✓	✓
Mr. Zhao Bingwen	✓				✓	✓
Percentage (as a percentage of the total number of Directors)	89%	44%	56%	67%	100%	56%

CORPORATE GOVERNANCE REPORT

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

For the year ended 31 December 2025, the Directors have participated in the following trainings on a director of a listed company, so as to continuously develop their expertise and professional skills.

Directors	Training Scope		
	Corporate Governance	Listing Rules	Business/ Management
Non-executive Directors			
Mr. Xia Zhuo	✓	✓	✓
Mr. Zhao Yanchao	✓	✓	✓
Executive Directors			
Mr. Yang Jiye	✓	✓	✓
Mr. Zheng Xuezhi	✓	✓	✓
Dr. Qiu Yumin	✓	✓	✓
Ms. Zhang Jing	✓	✓	✓
Independent non-executive Directors			
Mr. Wang Ping	✓	✓	✓
Dr. Wang Anjian	✓	✓	✓
Mr. Zhao Bingwen	✓	✓	✓

In order to gain the latest information of their specialized fields, each of the Directors proactively attended seminars related to various industries.

COMPANY SECRETARY

For the year ended 31 December 2025, the joint company secretaries of the Company were Ms. Zhang Jing and Ms. Wong Hoi Ting, and both of them have participated in not less than 15 hours of relevant professional training. Ms. Wong Hoi Ting's primary contact persons at the Company were Ms. Zhang Jing, an executive Director, and Mr. Pei Qiang.

On 14 January 2026, (i) Ms. Zhang Jing resigned as the joint company secretary of the Company to devote greater focus to investor relations, capital markets and ESG-related matters, while remaining as an executive Director; (ii) Ms. Wong Hoi Ting resigned as the joint company secretary of the Company, the authorised representative of the Company under Rule 3.05 of the Listing Rules and the process agent of the Company due to other work arrangements; and (iii) Mr. Pei Qiang and Ms. Au Ching were appointed as the joint company secretaries of the Company and both of them have participated in not less than 15 hours of relevant professional training. Ms. Au Ching's primary contact person at the Company was Mr. Pei Qiang, the joint company secretary of the Company.

On 14 January 2026, (i) Mr. Zheng Xuezhi resigned as the authorised representative of the Company; (ii) Ms. Au Ching was appointed as the authorised representative and the process agent of the Company; and (iii) Dr. Qiu Yumin was appointed as the authorised representative of the Company.

CORPORATE GOVERNANCE REPORT

ANNUAL REMUNERATION OF THE SENIOR MANAGEMENT

Details of the remuneration paid to the senior management of the Group by band (excluding Directors), whose biographies are set out on pages 80 to 81 of this annual report, for the year ended 31 December 2025 are set out below:

	No. of individuals
HKD1,000,001 to HKD1,500,000	1
HKD1,500,001 to HKD2,000,000	1

LIABILITY INSURANCE

The Company has purchased liability insurance for the Directors and its senior management for a term of one year.

TENURE OF THE DIRECTORS AND THE INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The service contracts of the Directors (including service contracts of all non-executive Directors) are for a term of three years, which are subject to termination in accordance with their respective terms. According to the provisions of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years; while any Director appointed by the Directors as an addition to the existing Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election.

The appointment of independent non-executive Directors strictly adheres to the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules. The Company has received the written confirmation of their independence for the year of 2025 from each of the independent non-executive Directors and considers them to be independent of the management of the Company and not having any relationship that could materially interfere with the exercise of their independent judgment.

During the Reporting Period, the independent non-executive Directors actively took part in the meetings held by the Board and all specialized committees, during which independent professional comments and suggestions were given in respect of the business development, significant decisions, risk management and internal control of the Company. During the Reporting Period, the independent non-executive Directors and the Chairman of the Board held a meeting without the presence of other Directors, so as to evaluate the results of the Company for the year of 2024 and the overall operating management capacity of the senior management of the Company in the year of 2024, and to discuss the future development of the Company.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, no objection was raised by the independent non-executive Directors to the resolutions made by the Board or the specialized committees.

The Board reviews the implementation and effectiveness of the mechanisms for ensuring independent views and input are available to the Board on an annual basis, whether in terms of proportion, recruitment and independence of independent non-executive Directors, and their contribution and access to external independent professional advice.

SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules, and also formulated the Written Guideline on Dealings in the Securities of the Company by Directors and the Relevant Employees (the “**Company Guideline**”), which adopted the standards equivalent to the provisions of Appendix C3 to the Listing Rules as the model code regarding dealings in the Company’s securities by the Directors and the relevant employees. After making specific enquiries to all Directors and the relevant employees of the Company, all of them have confirmed that they have complied with the Model Code and the Company Guideline throughout the year ended 31 December 2025.

CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Pursuant to the Guidelines regarding the Division of Functions between the Board and Senior Management formulated by the Company, the Chairman of the Board is responsible for the management of the Board to ensure its effective operation. The Chief Executive Officer is responsible for daily operational activities of the Group and responsible to the Board for the overall operations of the Group. The management shall provide the Directors and the members of the specialized committees under the Board with information and materials related to the operation on a monthly basis, so as to update them with the latest developments of the Company and facilitate the discharge of duties better.

From 20 March 2018 to 13 January 2026, Mr. Yang Jiye was the Chairman of the Board, an executive Director, and also the Chief Executive Officer and the President of the Company. Such arrangement did not comply with the requirement under Code Provision C.2.1 of Part 2 of the Corporate Governance Code in Appendix C1 to the Listing Rules that the roles of chairman and chief executive officer should be segregated. However, during the Reporting Period, the Company considered that the appointment of Mr. Yang Jiye as both the Chairman of the Board and the Chief Executive Officer provided strong and consistent leadership and allowed more effective formulation and implementation of long-term business strategies, which was beneficial to the overall development of the Company. The Company’s decision-making structure required all material decisions to be made by all directors collectively to ensure a balanced distribution of powers and authority.

On 14 January 2026, Mr. Yang Jiye resigned from his positions as the Chairman of the Board, an executive Director, the Chief Executive Officer and the President of the Company. On the same date, the Company appointed Mr. Xia Zhuo as the Chairman of the Board of the Company and Dr. Qiu Yumin as the Chief Executive Officer and the President of the Company respectively. Since then, the roles of the Chairman of the Board and the Chief Executive Officer of the Company have been formally segregated and the Company is now fully in compliance with Code Provision C.2.1 of the Corporate Governance Code. Further details are set out in the Company’s announcement dated 14 January 2026.

CORPORATE GOVERNANCE REPORT

GENERAL MEETING, BOARD MEETING AND SPECIALIZED COMMITTEE MEETING

The Company has sufficiently promulgated the terms of reference of the Board and the four specialized committees under the Board (namely the Audit Committee, Nomination Committee, Remuneration Committee and HSEC Committee), and published on the websites of the Hong Kong Stock Exchange and the Company the terms of reference of each of the specialized committees, which enable these committees to perform their duties and also provide that these four specialized committees should report their decisions and recommendations to the Board.

The Company convened one general meeting and eight Board meetings in 2025. During the Reporting Period, details of Directors' attendance of the Board meetings, meetings of the specialized committees under the Board and general meetings are as follows:

Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	HSEC Committee	General Meeting
Non-executive Directors						
Mr. Xia Zhuo	8/8	N/A	N/A	N/A	N/A	1/1
Mr. Zhao Yanchao	8/8	N/A	1/1	N/A	N/A	1/1
Executive Directors						
Mr. Yang Jiye	8/8	N/A	N/A	2/2	1/1	1/1
Mr. Zheng Xuezhi	8/8	N/A	N/A	N/A	N/A	1/1
Dr. Qiu Yumin	8/8	N/A	N/A	N/A	1/1	1/1
Ms. Zhang Jing	8/8	N/A	N/A	1/1	N/A	1/1
Independent non-executive Directors						
Mr. Wang Ping	8/8	3/3	1/1	2/2	N/A	1/1
Dr. Wang Anjian	8/8	3/3	N/A	2/2	1/1	1/1
Mr. Zhao Bingwen	8/8	3/3	1/1	1/1	N/A	1/1

The meetings were held in way of Board meeting instead of written resolution to approve any matter in case of significant interest conflict between substantial Shareholders or Directors in the matters to be considered by the Board. All independent non-executive Directors who have no significant interest in the transactions have attended the Board meetings. Minutes of Board meetings and specialized committee meetings were prepared and maintained by the joint company secretary of the Company.

CORPORATE GOVERNANCE REPORT

(A) Audit Committee

During the period from 1 January 2025 to 31 December 2025, the Audit Committee comprised the following members:

Independent non-executive Directors

Mr. Wang Ping (*Chairman*)

Dr. Wang Anjian

Mr. Zhao Bingwen

The Audit Committee shall act as a focal point for communication among other Directors, the external auditors and the internal auditors in respect of financial and other reporting, internal controls, external and internal audits and such other matters as the Board determines from time to time. The Audit Committee shall assist the Board in fulfilling its duties by providing independent review and supervision of financial reporting, satisfying themselves as to the effectiveness of the internal controls of the Group and as to the adequacy of the external and internal audits.

The terms of reference of the Audit Committee shall at least include: to supervise the financial reporting system, risk management and internal control system of the Company; to review the financial control of the Company as well as, to review the risk management and internal control system and the effectiveness of the internal audit function of the Company; to discuss the risk management and internal control system with the management and to ensure that the management has performed its duties in establishing an effective system; to consider major investigation findings on risk management and internal control matters and the response of the Company's management on these investigation findings on its own initiative or as delegated by the Board.

During the year of 2025, the Audit Committee held a total of three meetings, at which the Audit Committee reviewed the annual and half-year financial results and financial reports of the Group for the year 2024 and the first half of 2025 respectively, the 2024 internal control report and the 2025 audit plan of the Company's internal audit department (including the review of the risk management and internal control system and internal audit function of the Company), the implementation of non-competition agreement by the Controlling Shareholders and the annual statement made by them, terms of the connected transactions, the Company's updated risk management policy and other issues, and also discussed the appointment of auditor and the determination of their remuneration. All members of the Audit Committee and the external auditor have attended the above meetings.

CORPORATE GOVERNANCE REPORT

(B) Remuneration Committee

During the period from 1 January 2025 to 31 December 2025, the Remuneration Committee comprised the following members:

Non-executive Director	Independent non-executive Directors
Mr. Zhao Yanchao	Mr. Wang Ping (<i>Chairman</i>) Mr. Zhao Bingwen

The Remuneration Committee shall formulate remuneration policies for submission to the Board for approval (factors to be considered in the remuneration policies shall include remuneration paid by comparable companies, time commitment and responsibilities and employment conditions of other positions within the Group) and implement the remuneration policies determined by the Board.

During the year of 2025, the Remuneration Committee held one meeting, at which the committee mainly reviewed the remuneration of the Directors and senior management of the Company for the year of 2024 as well as the remuneration policies and structure for the year of 2025.

(C) Nomination Committee

During the period from 1 January 2025 to 19 May 2025, the Nomination Committee comprised the following members:

Executive Director	Independent non-executive Directors
Mr. Yang Jiye (<i>Chairman</i>)	Mr. Wang Ping Dr. Wang Anjian

During the period from 20 May 2025 to 31 December 2025, the Nomination Committee comprised the following members:

Executive Directors	Independent non-executive Directors
Mr. Yang Jiye (<i>Chairman</i>) Ms. Zhang Jing	Mr. Wang Ping Dr. Wang Anjian Mr. Zhao Bingwen

The Nomination Committee shall formulate the nomination policy for the consideration of the Board and implement the nomination policy approved by the Board, assist the Board in maintaining a Board skills matrix and support the Company's regular evaluation of the Board's performance.

CORPORATE GOVERNANCE REPORT

Nomination procedures for Directors

The Nomination Committee shall recommend to the Board on the appointment of Directors (including independent non-executive Directors) in accordance with the following selection criteria and nomination procedures:

1. the Nomination Committee shall make proactive communications with relevant departments of the Company, study the Company's demand for new Directors, and make reports in writing in respect thereof;
2. the Nomination Committee may seek candidates for Directors in a broad scope in the Company and the Group, and from the talent market;
3. collect and assess the following information and aspects about the candidates, and form writing materials, including but not limited to:
 - 3.1 diversity in all aspects, including gender, age, cultural and educational background, professional experience, skills, knowledge and work experience;
 - 3.2 qualifications, including the achievements and experience in relevant industries related to the business of the Group;
 - 3.3 willingness to devote sufficient time to perform the duties as member of the Board and other responsibilities as a Director;
 - 3.4 integrity and reputation;
 - 3.5 independence of candidates for independent non-executive Directors, which is assessed with reference to the factors as set out in Rule 3.13 of the Listing Rules and any other factors deemed as appropriate by the Nomination Committee or the Board;
 - 3.6 potential contributions to the Board; and
 - 3.7 other relevant aspects that apply to the business of the Group.
4. seek the nominee's consent to nomination, otherwise, the nominee cannot be a candidate for a Director;
5. convene a Nomination Committee meeting to examine the qualifications of the candidate against the criteria for the Directors;
6. make recommendations to the Board regarding the candidates for Directors and submit the relevant information to the Board one to two weeks prior to the election of new Directors; and
7. take other follow-up actions according to the decision and feedback from the Board.

CORPORATE GOVERNANCE REPORT

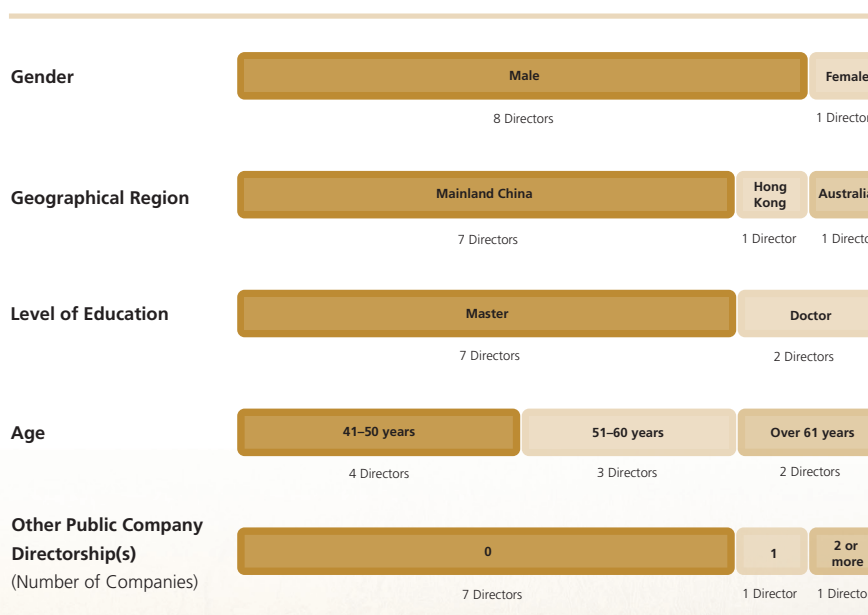
Diversity Policies

The Company will make efforts to keep an appropriate balance in the diversity of skills, experience and opinions of the Board members, so as to support the execution of business strategies and ensure the effective operation of the Board.

With a view that “diversity” is a broad concept, the Company may consider the board diversity in designing the Board’s composition from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy as well as the business model of the Company and specific needs from time to time, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives of Diversity Policy

Selection of candidates for directorship is based on a range of diversity perspectives, and the ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect. The Board will make best efforts to take opportunities to increase the proportion of female members when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders’ expectation and international and local recommended best practices to promote the gender diversity. As of 31 December 2025, the composition of the Board comprising nine Directors is as follows:



CORPORATE GOVERNANCE REPORT

The Board has achieved the measurable objectives in the board diversity policy of the Company and complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules.

Employee Diversity

The Group focuses on equality and diversity of corporate culture and employment policy, and provides equal development opportunities for all employees. The Company has adopted the Employee Diversity Policy during the year and conveys the concept of diversity and inclusion to our management and employees in a variety of ways: we treat employees of different nationalities, races, genders, religions and cultural backgrounds fairly and do not tolerate any discrimination; we value the talent development; and we strive to build a diverse talent system. There are female employees working through the middle and senior management, technical and operational department and production department of the Group. As of 31 December 2025, the Group had a total of 1,724 employees (including senior management), of which 83.64% are male and 16.36% are female; for the senior management, 60% are male and 40% are female; for all the employees (excluding the senior management), 83.71% are male and 16.29% are female. While the Group strives to achieve the goal of employee diversity to the maximum extent possible, with gender diversity taking into consideration in staff recruitment, there remains limitation due to the nature of the Group's business, which is to the most part physically demanding, and the industry is dominated by males. Nevertheless, the Company will continue to take steps to promote gender diversity at all levels of the Company, including but not limited to the Board and senior management levels, and to develop a pipeline of female senior management and potential successors to the Board.

During the year of 2025, the Nomination Committee held two meetings, at which the retiring Director, Dr. Qiu Yumin, was nominated for re-election as an executive Director, Mr. Xia Zhuo as a non-executive Director and Mr. Wang Ping as an independent non-executive Director; and Mr. Pei Qiang was nominated as the joint company secretary of the Company. The independence of Mr. Wang Ping, Dr. Wang Anjian and Mr. Zhao Bingwen was assessed. The members, structure and composition of the Board, the implementation and effectiveness of board diversity policy of the Company were reviewed, and the sufficiency of time and efforts contributed by the Directors for the performance of their duties was also discussed. The Nomination Committee was of the opinion that the extensive experiences and skills of the Directors in various fields and the rational structure of the Board may enable the Company to maintain high standard operation.

(D) HSEC Committee

During the period from 1 January 2025 to 31 December 2025, the HSEC Committee comprised the following members:

Executive Directors

Dr. Qiu Yumin (*Chairman*)
Mr. Yang Jiye

Independent non-executive Director

Dr. Wang Anjian

CORPORATE GOVERNANCE REPORT

The HSEC Committee is responsible for leading the works regarding health, safety, environmental protection and community across the Group, and making recommendations on the significant decisions or material issues in relation to the health of staff, the safety and environmental protection of the Company and the relationship within the community to the Board.

In the year of 2025, the HSEC Committee held one meeting, at which the committee considered and recommended the approval of the 2024 Environmental, Social and Governance Report of the Company to the Board and the material ESG matters set out in such report.

CORPORATE GOVERNANCE

The Board is the highest authority of the Group on corporate governance, whose main responsibilities include:

- (a) to develop and review the Group's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Group's policies and practices in compliance with the laws and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual applicable to employees and the Directors; and
- (e) to review the Group's compliance with the Corporate Governance Code and disclosure in the corporate governance report.

The Company compiled the existing corporate governance system and dispatched it to the Directors in the year of 2025. The Board reviews the corporate governance initiatives of the Group on an annual basis.

REMUNERATION OF AUDITOR

The Shareholders approved the resolution for the re-appointment of Deloitte Touche Tohmatsu as the auditor of the Company for the year of 2025 and authorizing the Board to determine its remuneration at the annual general meeting of the Company held on 20 May 2025. The Company re-appointed Deloitte Touche Tohmatsu as the auditor of the Company for the year of 2025 with a term of one year ending on the date of the 2026 annual general meeting of the Company. As of 31 December 2025, details of the audit and non-audit services provided by the auditor to the Group are as follows:

Audit Service	The total fee charged for providing the Group with the review of the interim financial statements as of 30 June 2025 and audit of the financial statements for the year ended 31 December 2025 was RMB3,200,000 (excluding taxation and sundries).
Non-audit Service	The total fee charged for providing the Group with the consulting services on taxation was approximately HKD30,800 (excluding taxation and sundries); The total fee charged for providing the agreed procedural services to Hanking Gold Limited in connection with its spin-off and listing was RMB250,000 (excluding taxation and sundries).

CORPORATE GOVERNANCE REPORT

DIRECTORS AND AUDITOR'S RESPONSIBILITY FOR PREPARATION OF THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for preparing the financial statements for the year ended 31 December 2025, which gave a true and fair view of the state of affairs of the Group and of the results and cash flows for that year. The Company allocated sufficient resources to prepare the audited account. Senior management was required to present and explain the financial reporting and matters that materially affected or may have material impact on the financial performance and operations of the Company to the Audit Committee and the Board and respond to the queries and concerns raised by the Audit Committee and the Board to their satisfaction. The consolidated financial statements have been prepared in accordance with the IFRS. In addition, the financial statements included appropriate disclosure made in accordance with the Listing Rules and the Companies Ordinance. The responsibility of the independent auditor engaged by the Company for the preparation of the financial statements of the Group was set out in the Independent Auditor's Report of this annual report.

The Directors have given careful consideration to the going concern of the Group, and are not aware of material uncertainties in relation to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Hence, the Group's consolidated financial statements have accordingly been prepared on a going concern basis. For further details, please refer to note 3.1 to the consolidated financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the responsibility for maintaining appropriate and effective risk management and internal control system to protect the Shareholders' investments and the Group's assets, including but not limited to setting management structure and granting the appropriate authorization, identifying proper accounting policy and providing reliable financial information. The measures above were designed to provide reasonable (but not absolute) assurance against material misstatement or loss, and to manage (but not fully eliminate) risks of failure in operational systems and in achieving the Group's objectives.

The Board, through the Audit Committee, continuously oversees the financial reporting system, risk management and internal control system of the Group; reviews the financial control of the Group and reviews the effectiveness of the Group's risk management and internal control systems on an annual basis; discusses the risk management and internal control system with the management and ensures that the management has performed its duties in establishing an effective system; considers major investigation findings on risk management and internal control matters and the response of the management on investigation findings.

CORPORATE GOVERNANCE REPORT

The Group has established a specialized internal audit organ (the “**Audit Department**”), formulated relevant mechanism, and set up proper internal control procedures to ensure the effectiveness of internal control and risk management, and extended its application to all subsidiaries controlled by the Group. The Audit Department is directly under the leadership of the Audit Committee, thus the annual audit report and plan of the Audit Department are approved by the Audit Committee. The Audit Department independently carries out the internal audit and monitoring work of the Company, and, pursuant to the work program approved by the Audit Committee and based on the internal control, daily monitoring and project monitoring, comprehensively evaluates the work priorities from the dimensions of the possibility of risk occurrence and the degree of impact on the Company’s objectives. In 2025, the Audit Department conducted audits and effectiveness test and evaluation with a focus on key aspects including risk management and internal control in respect of material procurement and warehousing as well as sales and collection of the iron ore business, internal control in respect of procurement and warehousing of the high-purity iron business, monetary funds of the Group, and internal control processes and business cycles on an annual basis, and expressed assessment opinions on risk management and internal control.

Risk Management Structure of the Group



The Group has established an internal control system and formulated regulations on the segregation of duties of the Board and senior management, according to which the senior management is responsible to the Board and executes Board resolutions, and takes major responsibilities for the management and monitoring of the Group’s operations. The management of the Group provides the members of the Board with monthly updates of the Group, which set out the balanced and comprehensible assessment of the Group’s performance, financial position and prospects.

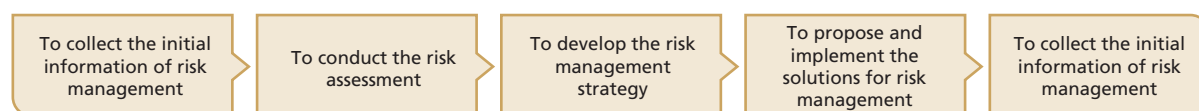
CORPORATE GOVERNANCE REPORT

The Group has formulated the Information Disclosure Management System, the Administrative Measures on Connected Transactions and the Inside Information Disclosure System to identify and process the inside information. The Board assesses the effectiveness of the procedures for identifying and processing inside information in due course, so as to maintain the confidentiality of inside information prior to the disclosure with proper approval and disseminate such information in an effective and consistent manner.

The Group has formulated the Integrity Management System to promote and support anti-corruption laws and regulations, strengthen the construction of enterprise integrity, regulate the conduct of all staff, and create a clean and efficient working atmosphere. The Group has developed the Whistleblowing Policy to enable the Group's employees and other external stakeholders of the Group (such as customers and suppliers) to raise their concerns about any possible impropriety with respect to the Group to the Audit Committee confidentially and anonymously. The "Contact information of the Audit Committee of the Board" is available under the "Investor Relations" section on the Company's website for whistleblowing by the external stakeholders of the Group.

The Group has developed internal control procedures to identify, evaluate and manage significant risks and to resolve material internal control defects (if any). Such procedures are implemented by the Audit Department which mainly include: formulation of the assessment work plan, implementation of on-site testing, identification of control deficiencies, compilation of assessment results, preparation of assessment report, etc. During the assessment process, the Audit Department widely collects evidences regarding the effectiveness of internal control design and operation, fills in the internal control risk assessment paper in a truthful manner and analyses the internal control deficiencies through a combination of methods and approaches such as individual interview, questionnaire survey, panel discussion, sampling inspection, walk through testing, on-site inspection and comparative analysis. When internal control deficiencies are identified in the audit, monitoring and assessment of the Company's risk management system, the Audit Department takes rectification measures after communication with the management.

Risk Management Procedures of the Group



By doing so, the Audit Committee is of the opinion that the Group has maintained effective internal control over the financial reporting process in all material aspects with reference to the requirements under the enterprise internal control regulation system and the relevant provisions. According to the assessment of deficiencies in the internal control over the non-financial reporting process of the Group, as at the reference date of the internal control assessment report, no material deficiencies or major deficiencies in the internal control over the non-financial reporting process were identified. The Audit Committee submitted the risk management and internal control assessment report to the Board for its final confirmation.

In the year of 2025, the Board has reviewed the effectiveness of the Group's risk management and internal control system, and considers the risk management and internal control system effective and adequate.

CORPORATE GOVERNANCE REPORT

CONSTITUTIONAL DOCUMENTS

For the year 2025, there were no material changes to the Articles of Association.

SHAREHOLDERS' COMMUNICATION POLICY

In order to promote effective communication with the Shareholders, the Company has adopted a shareholders' communication policy of the Company (the "**Shareholders' Communication Policy**") which is published on the Company's website. According to the Shareholders' Communication Policy, among other things:

- (1) Information shall be disseminated by the Company to the Shareholders and the investment community mainly through the publication of interim and annual reports, annual general meetings and other general meetings convened, as well as the information disclosed or published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) or the Company's website (www.hankinggold.com).
- (2) General meetings are deemed to be the principal channel of communications between the Company and the Shareholders. The Shareholders are encouraged to participate in the Company's general meetings in person or, where they are unable to attend the meetings, appoint proxies to attend and vote at the meetings for and on their behalf.
- (3) The Company shall facilitate communications with the Shareholders and the investment community by organizing roadshows, investor meetings, investor/analyst presentations, individual meetings and media interviews on a regular basis.

In the year of 2025, the Company convened one general meeting, and organized two results briefings and a number of investor meetings and media interviews.

In light of the Shareholders' Communication Policy of the Company adopted and communication channels already in force, and the general meetings of the Company held during the year which enabled the Directors to exchange views with the Shareholders and answer their questions, the Board has reviewed and considered that the Company's Shareholders' Communication Policy has been appropriately implemented and remains effective during the year ended 31 December 2025.

(A) The rights of Shareholders

The Articles of Association provide the rights and obligations of all Shareholders.

Shareholders are encouraged to attend the annual general meetings/extraordinary general meetings to ensure the high level of accountability and to stay apprised of the Group's strategy and goals.

CORPORATE GOVERNANCE REPORT

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, pursuant to the Articles of Association, any member or members holding not less than one-tenth of paid-up capital of the Company, which entitled them to vote at the meeting, as at the date of submitting the request is or are entitled to give written request to the Board or the Company Secretary of the Company to request the Board to convene an extraordinary general meeting at any time and to handle the matters or resolution set out in the above request. The above meeting shall be convened within two (2) months after submitting the relevant request to the Company's principal place of business in Hong Kong, at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and for the attention of the joint company secretary of the Company. If the Board has not convened the meeting within twenty-one (21) days after receiving the request, the requesting persons can convene the meeting by which all the reasonable expenses of petitioners so caused should be compensated by the Company.

According to the Listing Rules, any voting of the shareholders at a general meeting must be taken by poll (except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) and the results of the poll shall be deemed to be the resolution of the meeting.

(B) Procedures of putting forward enquiries to the Board by Shareholders

For putting forward any enquiries or proposals to the Board, Shareholders may send written enquiries to the Company. The contact information is as follows:

Address: 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

Tel: +852 3188 8333

Fax: +852 3188 8222

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Meanwhile, the Chairman of the Board as well as the chairmen of all of the specialized committees under the Board, or in their absence, other members of the respective committees, are available to answer questions at the annual general meeting of the Company. The independent auditor of the Company shall also be present at the meeting to assist the Directors to answer questions raised by the Shareholders.

CORPORATE GOVERNANCE REPORT

(C) Shareholders' enquiries

Any enquiries relating to your shareholding, for example, transfers of shares, change of address, loss of share certificates or dividend cheques, shall be sent or made to Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong whose contact information is as follows:

Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Tel: +852 2862 8628

Fax: +852 2865 0990 and +852 2529 6087

Website: www.computershare.com.hk

(D) Investor relations and communication

The Company promotes the effective communication with Shareholders, investors and other interested persons through the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.hankinggold.com). The Company's website sets out the following information:

- the Articles of Association, the Board and its specialized committees and the biographies of Directors;
- announcements, circulars, regular reports, promotional materials and press releases of the Company;
- financial information and summarized financial information for the respective years of the Company; and
- information about the Company's Shares.

The Company's website also provides investors' calendar and subscription of company information services, so as to promote the communication with investors.

In addition, the Company duly issues company consultation documents and other related financial information, including detailed information related to the Company's business performance and development as disclosed in annual reports, interim reports, press releases and announcements. Our information disclosure strictly adapts to the latest regulatory requirements. We optimize the internal approval process and strengthen the management of inside information, and disclosed more than 50 regular reports and temporary announcements throughout the year in order to ensure that the disclosure is true, accurate and complete.

CORPORATE GOVERNANCE REPORT

INVESTOR RELATIONS MANAGEMENT

The Company has always focused on maintaining good investor relations, continuously improved the communication mechanism, and built the diversified investor communication channels. Through a combination of online and offline methods, including performance briefings, one-picture interpretation of performance, new media enterprise accounts, brokerage strategy meetings and roadshows, we display our operating conditions comprehensively; at the same time, through investor hotlines, special mailboxes and on-site research, we actively listen to and respond to investors' concerns in a timely manner.

During the Reporting Period, the details of the Company's investor relations work are as follows:

1. Interactive communication

The Company has held a total of 2 performance briefings, 1 special briefing and nearly 150 investor exchange meetings. 24 press releases were issued on mainstream financial platforms, and 33 news were released on our official website and mainstream financial self-media enterprise accounts. In addition, all investor inquiries received by the investor relations mailbox have been replied to on time.

2. Participants

In the above-mentioned interactive activities, the participating Shareholder groups cover institutional investors, small and medium-sized Shareholders and individual investors, in which case the right to know and participate of different types of Shareholders are protected. Our representatives participating in the interaction include the Company's chief executive officer, vice president in charge of investment and financing, Board secretary, chief financial officer, and investor relations team.

3. Opinion follow-up mechanism

The Company has established a closed-loop management mechanism for investor opinions: the Board secretary is responsible for the overall management of investor relations and information aggregation, and then make full responses to the opinions and suggestions put forward by investors through follow-up communication, performance briefings and other channels.

Through years of accumulation, the Company has established an integrated value communication system, and promoted the Company's valuation to reasonably reflect the intrinsic value by tapping our core competitive advantages and introducing long-term institutional investors to optimize the Shareholder structure. Our market value at the end of 2025 increased by about 3.9 times compared with the beginning of the year, forming a strong support for the implementation of the Company's strategic goals.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

1. COMPOSITION OF DIRECTORS

As at the Latest Practicable Date, the Board consisted of four executive Directors, two non-executive Directors and four independent non-executive Directors. The following table sets forth certain information in respect of our Directors:

Name	Age	Position/Title in the Group	Date of Appointment/Re-election	Roles and Responsibilities
Dr. Qiu Yumin	63	Executive Director, Chief Executive Officer and President and chief executive officer and president of Hanking Australia	re-elected as an executive Director on 20 May 2025 appointed as the Chief Executive Officer and the President on 14 January 2026	responsible for implementing the Group's overall strategy for operations and development, and the Group's operations and management
Ms. Zhang Jing	45	Executive Director and Board Secretary	appointed as an executive Director on 23 May 2024	responsible for investors relationship, capital markets operations and ESG-related work of the Group
Mr. Tang Wenbin	45	Executive Director And Vice President	appointed as an executive Director on 14 January 2026	responsible for the Group's material investments, financing and capital management
Mr. Zhang Junfeng	47	Executive Director, Vice President and president of Aoniu Mining	appointed as an executive Director on 14 January 2026	responsible for the daily operations and management of the Group's domestic iron ore and high-purity iron business segments
Mr. Xia Zhuo	60	Non-executive Director and Chairman of the Board	re-elected as a non-executive Director 20 May 2025 appointed as the Chairman of the Board on 14 January 2026	responsible for formulating the Group's overall strategy for operations and development, and for overseeing management's execution and implementation of such strategy
Mr. Zhao Yanchao	48	Non-executive Director	appointed as a non-executive Director on 23 May 2024	N/A
Mr. Wang Ping	55	Independent non-executive Director	re-elected as an independent non-executive Director on 20 May 2025	N/A
Dr. Wang Anjian	72	Independent non-executive Director	re-elected as an independent non-executive Director on 24 May 2023	N/A
Mr. Zhao Bingwen	44	Independent non-executive Director	appointed as an independent non-executive Director on 23 May 2024	N/A
Dr. Tim Sun	64	Independent non-executive Director	appointed as an independent non-executive Director on 25 March 2026	N/A

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Resignation/Retirement of Director

Name	Age	Position/Title	Date of Appointment/Re-election	Date of Resignation/Retirement	Roles and Responsibilities
Mr. Yang Jiye	47	Executive Director, Chairman of the Board, Chief Executive Officer and President	appointed as the Chief Executive Officer and President on 20 March 2018 re-elected as an executive Director on 23 May 2024	resigned as an executive Director, the Chairman of the Board, the Chief Executive Officer and the President on 14 January 2026	N/A
Mr. Zheng Xuezhi	55	Executive Director, Chief Operating Officer and Executive Vice President	re-elected as an executive Director on 24 May 2023	resigned as an executive Director, the Chief Operating Officer and the Executive Vice President on 14 January 2026	N/A

2. BIOGRAPHY OF NON-EXECUTIVE DIRECTORS

Mr. Xia Zhuo, aged 60, is a non-executive Director and Chairman of the Board. He has served on the Company's Board since 2011. He is currently serving as the director of Aoni Mining. In addition, he also serves as the director of Hanking Group and Hanking Electronics (Liaoning) Co., Ltd., and as the supervisor of Indonesia project companies (KS, KKK and KP) of Hanking Group. Mr. Xia has obtained more than 25 years of experience in the mining industry. Over the past three years, he did not hold any directorships in any other listed public companies.

Mr. Zhao Yanchao, aged 48, is a non-executive Director. He has served on the Company's Board since 2024. Mr. Zhao has over 19 years of experience in the fields of corporate finance, equity investment and fund management. Mr. Zhao is currently a partner of SAIF Partners (賽富投資基金), where he is responsible for the fund management operation. Mr. Zhao had previously served in China International Capital Corporation Limited (中國國際金融股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601995) and the Hong Kong Stock Exchange (stock code: 3908)) and China Central Television (中央電視台), where he was involved in international initial public offering projects. Mr. Zhao served at SAIF Partners back in 2005 and was responsible for several investment projects, then joining China Development Bank Capital Co., Ltd. (國開金融有限責任公司) (a subsidiary of China Development Bank (國家開發銀行)) in 2011, as the head of the equity investment department, where he presided over the completion of a number of large-scale investment projects. Mr. Zhao rejoined SAIF Partners since 2019. Save as disclosed above, over the past three years, he did not hold any directorships in any other listed public companies.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

3. BIOGRAPHY OF EXECUTIVE DIRECTORS

Dr. Qiu Yumin, aged 63, is an executive Director and the Chief Executive Officer and the President. He has served on the Company's Board since 2012. Dr. Qiu is also the director of Hanking Gold Limited and the director, chief executive officer and president of Hanking Australia and the director of other Australian subsidiaries of the Company. He possesses over 28 years of experience in exploration, business development, acquisition, construction and production of gold mines, including over 15 years of experience in mining management and operation by serving as the senior executive in the mining companies listed on the three major mining stock exchanges in New York, Toronto and Sydney as well as the Hong Kong Stock Exchange. He was a non-executive director of Corazon Mining Ltd (ASX: CZN) from August 2017 to June 2025, an Australian listed company. Save as disclosed above, over the past three years, he did not hold any directorships in any other listed public companies.

Ms. Zhang Jing, aged 45, is an executive Director, and the secretary of the Board. She has served on the Company's Board since 2024. Ms. Zhang is also the director of Hanking Gold Limited and the supervisor of Aoniu Mining. Ms. Zhang joined the Company in March 2011 and has previously served as the manager of the compliance department, director-general of the office of the Board and manager of the investor relationship department. Ms. Zhang obtained the bachelor degree of law from China University of Political Science and Law in July 2003 and then obtained the master degree specialising in international business law and European Union law from the University of Sheffield in the UK in November 2004. Ms. Zhang served as a practising lawyer in a law firm from February 2005 to February 2009, providing corporate and securities legal services, where she acted as a legal consultant for a number of listed companies. With the past and current positions she held in the Group, Ms. Zhang has over 17 years of experience in corporate governance, listing compliance as well as investor relationship management. Save as disclosed above, over the past three years, she did not hold any directorships in any other listed public companies. Ms. Zhang is the spouse of Mr. Tang Wenbin, an executive Director.

Mr. Tang Wenbin, aged 45, is an executive Director and the Vice President. He has served on the Company's Board since 2026. Mr. Tang joined the Group in 2012 and is primarily responsible for the Group's major investments, financing and capital management. Mr. Tang currently serves as a director of Hanking Gold Limited, Hanking Australia and Tuochuan (Hong Kong) Limited, and is also a director of Liaoning Huaren Shengze Enterprise Management Group Co., Ltd.. Mr. Tang served as a manager in the investment banking department of Hualin Securities Co., Ltd. (SZSE: 002945) from July 2004 to December 2005, a company listed on the Shenzhen Stock Exchange, and as the head of the securities department of Yunnan Tin Co., Ltd. (SZSE: 000960) from January 2006 to December 2007, a company listed on the Shenzhen Stock Exchange. From March 2008 to June 2012, he was a director and chief financial officer of Liaoning Huaren Shengze Enterprise Management Group Co., Ltd.. Through his abovementioned roles, Mr. Tang has over 20 years of experience in securities, investment and financing. Mr. Tang obtained a bachelor's degree and a master's degree in business administration from Peking University in July 2002 and June 2004, respectively. Save as disclosed above, over the past three years, he did not hold any directorships in any other listed public companies. Mr. Tang is the spouse of Ms. Zhang Jing, an executive Director.

Mr. Zhang Junfeng, aged 47, is an executive Director and the Vice President. He has served on the Company's Board since 2026. Mr. Zhang joined the Group in 2018 and is primarily responsible for the daily operation and management of the Group's domestic iron ore and high-purity iron business segments at present. Mr. Zhang currently serves as a director and the president of Aoniu Mining. Mr. Zhang previously worked at the Department of Finance of Liaoning Province and possesses extensive experience in organizational management, capital operations, project evaluation, and investment decision-making. Mr. Zhang obtained a bachelor's degree in management in July 2001 and a master's degree in public administration in July 2008, both from Northeastern University, and obtained an executive master of business administration degree from Peking University in July 2024. Save as disclosed above, over the past three years, he did not hold any directorships in any other listed public companies.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

4. BIOGRAPHY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wang Ping, aged 55, is an independent non-executive Director. He has served on the Company's Board since 2011. Mr. Wang is a non-practicing member of the Chinese Institute of Certified Public Accountants. Mr. Wang has nearly 30 years of experience in corporate finance, audit and accounting. Mr. Wang is currently acting as the independent non-executive director of Jia Yao Holdings Limited (formerly known as Tourism International Holdings Limited) (HKSE: 1626), a company listed on the Hong Kong Stock Exchange, the independent non-executive director of Chongyi Zhangyuan Tungsten Co., Ltd. (SZSE: 002378), a company listed on the Shenzhen Stock Exchange, and the non-executive director of Sanergy Group Limited (HKSE: 2459), a company listed on the Hong Kong Stock Exchange. He also acted as the independent non-executive director of China Tianrui Group Cement Company Limited (HKSE: 1252) from December 2012 to September 2024, a company listed on the Hong Kong Stock Exchange and the independent non-executive director of Shenzhen Fuanna Bedding and Furnishing Co., Ltd. (SZSE: 002327) from October 2021 to December 2024, a company listed on the Shenzhen Stock Exchange. Save as disclosed above, over the past three years, he did not hold any directorships in any other listed public companies.

Dr. Wang Anjian, aged 72, is an independent non-executive Director and has extensive experience in research of resource strategy. He has served on the Company's Board since 2012. Dr. Wang is currently the professor of Chinese Academy of Geological Sciences and Honorary Director of the Research Center for Strategy of Global Mineral Resources. Dr. Wang is currently acting as the independent non-executive director of Zijin Mining Group Co., Ltd. (HKSE: 2899; SSE: 601899), a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange. He also acted as the independent non-executive director of Chongyi Zhangyuan Tungsten Co., Ltd. (SZSE: 002378) from May 2017 to May 2023, a company listed on the Shenzhen Stock Exchange. Save as disclosed above, over the past three years, he did not hold any directorships in any other listed public companies.

Mr. Zhao Bingwen, aged 44, is an independent non-executive Director. He has served on the Company's Board since 2024. Mr. Zhao has graduated from Guanghua School of Management of Peking University with a Master's Degree in Business Administration in 2014. Mr. Zhao is currently the chairman and chief researcher of Langkun (Beijing) New Environmental Protection Technology Co., Ltd. (朗昆(北京)新環保科技有限公司), and is primarily specialized in, among others, the research and measurement of carbon neutrality. Prior to that, from 2008 to 2012, Mr. Zhao served as a project manager in Dinglian Holdings Co. Ltd (鼎聯控股有限公司). From 2012 to 2014, he served as an engineering director and assistant director at the Fifth Design Research Institute of the China Aviation Planning and Design Institute (Group) Co., Ltd. (中國航空規劃設計研究總院有限公司), a wholly-owned subsidiary of AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司) (a company listed on the Hong Kong Stock Exchange, HKSE: 2357). Save as disclosed above, over the past three years, he did not hold any directorships in any other listed public companies.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Dr. Tim Sun, aged 64, is an independent non-executive Director. He has served on the Company's Board since 2026. Dr. Sun has over 30 years of experience in international mining and exploration engineering, covering multiple countries or regions including Canada, Mongolia, Australia, the Democratic Republic of Congo, Central Asia and China. Dr. Sun also has experience in international mining investment management and capital markets. Dr. Sun served as vice president of China for Turquoise Hill Resources Ltd (formerly known as Ivanhoe Mines Limited (艾芬豪礦業有限公司), a company listed on the Toronto Stock Exchange, stock code: TRQ) from 2002 to 2005, where he was responsible for feasibility studies and project financing, and daily operation of the Giant Oyo Tolgoi Copper Deposit in Mongolia. Dr. Sun served as a director of Norton Gold Fields Limited (a company listed on the Australian Securities Exchange, stock code: NGF) from March 2010 to May 2011, the chief strategic consultant of Bay Area Gold Group Limited (灣區黃金集團有限公司) (formerly known as Munsun Capital Group Limited (麥盛資本集團有限公司) and China Precious Metals Resources Holdings Co., Ltd. (中國貴金屬資源控股有限公司), a company previously listed on the Hong Kong Stock Exchange, stock code: 1194) from January 2010 to 2011, and a director of FeOre Ltd (a company listed on the Australian Securities Exchange, stock code: FEO) from 2011 to July 2014. Dr. Sun served as an independent non-executive director of Hengxing Gold Holding Company Limited (恒興黃金控股有限公司) (a company previously listed on the Hong Kong Stock Exchange, stock code: 2303) from April 2014 until it was acquired by Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司) in 2021. Dr. Sun serves as a director of Arcland Resources Inc (a company listed on the TSX Venture Exchange, stock code: ADR.H) since April 2023, the founder and chairman of the board of WA Iron Pty Ltd (西澳鐵礦有限公司) since 2016, a chairman of Hong Kong International Mining Association since 2011, and a director of Minco Silver Corporation (a company listed on the Toronto Stock Exchange (stock code: MSV), OTC Quality Markets (stock code: MISVF) and Frankfurt Stock Exchange (stock code: AOESX5) since July 2011. Dr. Sun obtained his bachelor's degree in mineral processing engineering from Northeastern University (東北大學) in the PRC in June 1982, a master's degree in mineral processing engineering from Beijing General Research Institute of Mining & Metallurgy (北京礦冶研究總院) in the PRC in 1985, and a PhD degree from Queen's University in Canada in October 1993. Save as disclosed above, over the past three years, he did not hold any directorships in any other listed public companies.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

5. SENIOR MANAGEMENT

The following table sets forth certain information in respect of our senior management as at the Latest Practicable Date:

Name	Age	Position/Title	Biography
Dr. Qiu Yumin	63	Chief Executive Officer and President and chief executive officer and president of Hanking Australia	See "Biography of Executive Directors"
Ms. Zhang Jing	45	Board Secretary	See "Biography of Executive Directors"
Mr. Tang Wenbin	45	Vice President	See "Biography of Executive Directors"
Mr. Zhang Junfeng	47	Vice President	See "Biography of Executive Directors"
Ms. Gao Yue	47	Chief Financial Officer	See below

Ms. Gao Yue, aged 47, the Chief Financial Officer, joined the Company in July 2017 and has previously served as the vice president in the finance department and the manager in the budgeting department of the Company. Ms. Gao is currently a supervisor of Aoniu Mining. Ms. Gao has nearly 20 years of experience in the audit and finance industry. She is a certified public accountant in China and has worked in the audit departments of Deloitte China and KPMG China respectively. She obtained a master degree in accounting from the University of International Business and Economics in June 2005.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Resignation of Senior Management

As at the Latest Practicable Date, the following table sets forth certain information of our senior management who have tendered their resignations :

Name	Age	Date of Resignation and the Position/Title Resigned	Biography
Mr. Yang Jiye	47	Resigned as the Chief Executive Officer and the President on 14 January 2026	–
Mr. Zheng Xuezhi	55	Resigned as the Chief Operating Officer and the Executive Vice President on 14 January 2026	–
Mr. Huang Jinfu	69	Retired as the Vice President on 17 March 2026	–

6. JOINT COMPANY SECRETARIES

Mr. Pei Qiang, aged 40, joined the Company in 2017 and has held various positions including the compliance manager and head of Board office. Mr. Pei obtained a master's degree of laws from Liaoning University in 2021. Mr. Pei holds a legal professional qualification certificate and the title of Intermediate Economist. From 2008 to 2017, Mr. Pei worked for the international contracts and legal department of Shenyang Yuanda Aluminum Engineering Co., Ltd. (a wholly-owned subsidiary of Yuanda China Holdings Limited, a company listed on the Stock Exchange (HKSE: 2789)). Through his past work experience and current positions with the Group, Mr. Pei has accumulated over 10 years of experience in corporate legal affairs, corporate governance, and listing compliance.

Ms. Au Ching is an assistant manager in the listing services department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services to listed company clients. Ms. Au has approximately nine years of experience in the corporate secretarial field and has extensive knowledge and experience in dealing with corporate governance, regulatory and compliance affairs of listed companies. Ms. Au is an associate member of both the Hong Kong Chartered Governance Institute in Hong Kong and The Chartered Governance Institute in the United Kingdom.

So far as the Directors are aware, save as disclosed in this report, there are no personal relationship (including financial, business, family or other material/relevant relationship(s)) between any other Directors, the Chairman of the Board and the chief executive of the Company.

CORPORATE INFORMATION

COMPANY'S STATUTORY CHINESE NAME

罕王黃金國際有限公司

COMPANY'S STATUTORY ENGLISH NAME

Hanking Gold International Limited

STOCK CODE

03788

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEADQUARTERS IN THE PRC

Room 203, Building 1
Lujiazui Century Financial Plaza
No. 729 South Yanggao Road
Pudong New Area
Shanghai 200127
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

AUTHORIZED REPRESENTATIVES

Dr. Qiu Yumin
Ms. Au Ching

JOINT COMPANY SECRETARIES

Mr. Pei Qiang
Ms. Au Ching

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F, One Pacific Place
88 Queensway
Hong Kong

HONG KONG LEGAL ADVISOR

Jingtian & Gongcheng LLP
Suites 3203-3209, 32/F
Edinburgh Tower, The Landmark
15 Queen's Road Central
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

CORPORATE INFORMATION

HONG KONG SHARE REGISTRAR

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

INVESTOR INQUIRIES

Investor Hotline: +86 021 5085 0619
Website: www.hankinggold.com
E-mail: ir@hanking.com

DIRECTORS**Executive Directors**

Dr. Qiu Yumin (*Chief Executive Officer and President*)
Ms. Zhang Jing (*Board Secretary*)
Mr. Tang Wenbin
Mr. Zhang Junfeng

Non-executive Directors

Mr. Xia Zhuo (*Chairman*)
Mr. Zhao Yanchao

Independent Non-executive Directors

Mr. Wang Ping
Dr. Wang Anjian
Mr. Zhao Bingwen
Dr. Tim Sun

AUDIT COMMITTEE

Mr. Wang Ping (*Chairman*)
Dr. Wang Anjian
Mr. Zhao Bingwen

REMUNERATION COMMITTEE

Mr. Wang Ping (*Chairman*)
Mr. Zhao Yanchao
Mr. Zhao Bingwen

NOMINATION COMMITTEE

Mr. Xia Zhuo (*Chairman*)
Ms. Zhang Jing
Mr. Wang Ping
Dr. Wang Anjian
Mr. Zhao Bingwen

HEALTH, SAFETY, ENVIRONMENTAL PROTECTION AND COMMUNITY COMMITTEE

Dr. Qiu Yumin (*Chairman*)
Ms. Zhang Jing
Dr. Wang Anjian

INDEPENDENT AUDITOR'S REPORT

Deloitte.

德勤

TO THE SHAREHOLDERS OF HANKING GOLD INTERNATIONAL LIMITED (罕王黃金國際有限公司)

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Hanking Gold International Limited (formerly known as China Hanking Holdings Limited) (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 90 to 217, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HANKING GOLD INTERNATIONAL LIMITED (罕王黃金國際有限公司)*(Incorporated in the Cayman Islands with limited liability)*

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of long-lived assets of Aoniu Mine and Shangma Mine (including property, plant and equipment, mining rights, exploration and evaluation assets; and right-of-use assets)</p>	
<p>Refer to notes 18, 20, 21, and 23</p>	
<p>As set out in Note 23 to the consolidated financial statements, at the end of the reporting period, the carrying amount of long-lived assets of Aoniu Mine and Shangma Mine was RMB35,000,000 and RMB297,483,000, respectively. Details of the accounting policies and impairment assessment of long-lived assets are set out in Notes 3 and 23 to the consolidated financial statements, respectively.</p>	<p>Our procedures in relation to the management's impairment assessment included:</p>
<p>At the end of reporting period, the management of the Group assessed whether there are any impairment indicators for the long-lived assets of Aoniu Mine and Shangma Mine. As the production at both mines has not yet resumed and the development plans remain ongoing but behind the initial schedule. Based on this assessment, the management concluded that impairment indicators are present for both Aoniu Mine and Shangma Mine.</p>	<ul style="list-style-type: none"> • Understanding management process and the key controls in impairment assessment of long-lived assets and the preparation of cash flow projections, including the key assumptions and inputs; • Evaluating the appropriateness of model used by the management in the value-in-use calculation and whether it was prepared in compliance with IAS 36 <i>Impairment of Assets</i>; • Evaluating the reasonableness of the key assumptions used in the value-in-use calculations, challenging the estimates and assumptions used by the management in preparing the cash flow forecast and evaluating the accuracy of historical cash flows forecast by comparing them to actual result; • Evaluating the reasonableness of the sensitivity analysis provided by the management to assess the extent of impact on the value-in-use calculations; • Assessing the appropriateness of the disclosures regarding the impairment assessment on the long-lived assets in accordance with IAS 36 <i>Impairment of Assets</i>.
<p>The recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value-in-use, it requires significant management judgments and forward looking estimates with respect to factors such as budgeted revenue, gross margin, discount rate and long-term growth rate adopted in the underlying cash flows of each asset or cash-generating unit ("CGU") where such asset belongs.</p>	
<p>We identified impairment of property, plant and equipment, mining rights, exploration and evaluation assets and right-of-use assets, being the major assets engaged in Aoniu Mine and Shangma Mine, as a key audit matter because the carrying amounts of these assets were significant and the impairment assessment involved significant management judgment and estimation of uncertainty.</p>	

INDEPENDENT AUDITOR'S REPORT

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment on goodwill</p> <p>Refer to notes 19 and 24</p> <p>As set out in Note 19 to the consolidated financial statements as at 31 December 2025, the carrying amount of goodwill was RMB209,132,000. Details of the accounting policies and impairment assessment are set out in Notes 3 and 24 to the consolidated financial statements, respectively.</p> <p>The management assessed the impairment of goodwill by estimating the CGU's recoverable amount using a value-in-use calculation. This required significant management judgements, forward-looking estimates, and key assumptions adopted in the underlying cash flow forecast of the CGU where the goodwill belongs.</p> <p>We identified goodwill impairment assessment as a key audit matter as the carrying amount is significant and the impairment assessment involved significant management judgements and estimation of uncertainty.</p>	<p>Our procedures in relation to the management's impairment assessment included:</p> <ul style="list-style-type: none"> • Understanding management process and the key controls in impairment assessment of goodwill and the preparation of cash flow projections, including the key assumptions and inputs; • Evaluating the appropriateness of model used by the management in the value-in-use calculation and whether it was prepared in compliance with IAS 36 <i>Impairment of Assets</i>; • Evaluating the reasonableness of the key assumptions used in the value-in-use calculations, challenging the estimates and assumptions used by the management in preparing the cash flow forecast and evaluating the accuracy of historical cash flows forecast by comparing them to actual result; • Evaluating the reasonableness of the sensitivity analysis provided by the management to assess the extent of impact on the value-in-use calculations; • Assessing the appropriateness of the disclosures regarding the impairment assessment on goodwill in accordance with IAS 36 <i>Impairment of Assets</i>.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Leung, David.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

	NOTES	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	5	2,559,504	2,484,150
Cost of sales		(1,869,118)	(1,810,591)
Gross profit		690,386	673,559
Other income	7a	13,967	12,855
Other gains and losses	7b	2,178	(12,973)
Impairment losses under expected credit loss ("ECL") model, net of reversal	8	(3,380)	1,067
Distribution and selling expenses		(117,373)	(88,106)
Administrative expenses		(233,246)	(208,344)
Research and development expenses		(351)	(2,261)
Other expense		(975)	(4,686)
Share of results of associates	22	510	(4,473)
Finance costs	9	(69,432)	(67,518)
Profit before tax	10	282,284	299,120
Income tax expense	11	(113,512)	(123,571)
Profit for the year		168,772	175,549
Other comprehensive income (expense):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation from functional currency to presentation currency		14,360	(30,250)
Impairment loss for receivables at fair value through other comprehensive income ("FVTOCI") included in profit or loss		(2,051)	3,697
Other comprehensive income (expense) for the year		12,309	(26,553)
Total comprehensive income for the year		181,081	148,996
Profit (loss) for the year attributable to:			
Owners of the Company		172,149	180,941
Non-controlling interests		(3,377)	(5,392)
		168,772	175,549
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		183,681	154,904
Non-controlling interests		(2,600)	(5,908)
		181,081	148,996
Basic and diluted earnings per share (RMB cent per share)	17	8.9	9.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2025

	NOTES	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	18	659,263	654,085
Goodwill	19	209,132	209,132
Intangible assets	20	684,389	279,655
Right-of-use assets	21	192,495	194,559
Interests in associates	22	9,598	8,088
Financial assets at fair value through profit or loss ("FVTPL")	30	252	147
Deferred tax assets	25	82,662	212,949
Deposits on acquisition of long-lived assets		21,619	7,385
Restricted deposits	26	39,500	24,061
Pledged bank deposits	31	–	71,994
		1,898,910	1,662,055
Current assets			
Inventories	27	237,167	261,314
Trade and other receivables	28	331,433	222,469
Receivables at FVTOCI	29	279,127	286,076
Pledged bank deposits	31	449,838	454,162
Cash and cash equivalents	31	405,568	358,128
Amount due from a related party	47	–	6,047
Time Deposits	31	437,620	–
		2,140,753	1,588,196
Assets classified as held for sale	13	–	341,697
		2,140,753	1,929,893
Current liabilities			
Trade, bills and other payables	32	728,587	914,987
Amount due to a related party	47	8,614	6,950
Borrowings	34	989,306	895,857
Lease liabilities	36	3,721	2,196
Contract liabilities	33	41,177	65,712
Tax liabilities		105,288	107,046
		1,876,693	1,992,748
Liabilities associated with assets classified as held for sale	13	–	75,942
		1,876,693	2,068,690
Net current assets (liabilities)		264,060	(138,797)
Total assets less current liabilities		2,162,970	1,523,258

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2025

	NOTES	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current liabilities			
Borrowings	34	122,500	–
Lease liabilities	36	6,986	–
Provision	35	91,537	29,096
Deferred tax liabilities	25	–	52,560
Other payable	32	2,000	–
		223,023	81,656
Net Assets		1,939,947	1,441,602
Capital and reserves			
Share capital	37	167,055	160,203
Reserves		1,673,022	1,274,588
Equity attributable to owners of the Company		1,840,077	1,434,791
Non-controlling interests		99,870	6,811
Total equity		1,939,947	1,441,602

The consolidated financial statements on pages 90 to 217 were approved and authorised for issue by the board of directors on 25 March 2026 and are signed on its behalf by:

QIU YUMIN

DIRECTOR

ZHANG JUNFENG

DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

	Attributable to owners of the Company													Total RMB'000
	Share capital RMB'000 (note 37)	Restricted shares held for Incentive Award Scheme RMB'000 (note 40)	Share premium RMB'000	Statutory surplus reserve RMB'000 (note a)	Safety funds reserve RMB'000 (note b)	Translation reserve RMB'000	Share- based payments reserve RMB'000	Special reserve RMB'000 (note c)	Other reserve RMB'000 (note d)	FVTOCI reserve RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non- controlling interests RMB'000	
At 1 January 2024	160,203	(44,332)	342,158	249,870	625,588	2,338	5,525	(1,577,161)	(16,988)	1,949	1,654,768	1,403,918	46,639	1,450,557
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	-	180,941	180,941	(5,392)	175,549
Other comprehensive income (expense) for the year	-	-	-	-	-	(29,734)	-	-	-	3,697	-	(26,037)	(516)	(26,553)
Total comprehensive income (expense) for the year	-	-	-	-	-	(29,734)	-	-	-	3,697	180,941	154,904	(5,908)	148,996
Transfer to future development funds reserve, net of utilisation	-	-	-	-	(23,036)	-	-	-	-	-	23,036	-	-	-
Recognition of equity-settled share-based payments (note 39)	-	-	-	-	-	-	4,566	-	-	-	-	4,566	-	4,566
Dividend declared (note 16)	-	-	-	-	-	-	-	-	-	-	(70,206)	(70,206)	-	(70,206)
Profit appropriation to statutory surplus reserve	-	-	-	255	-	-	-	-	-	-	(255)	-	-	-
Acquisition of non-controlling interest of a subsidiary (note 12)	-	-	-	-	-	-	-	-	(58,391)	-	-	(58,391)	(33,920)	(92,311)
At 31 December 2024	160,203	(44,332)	342,158	250,125	602,552	(27,396)	10,091	(1,577,161)	(75,379)	5,646	1,788,284	1,434,791	6,811	1,441,602
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	-	172,149	172,149	(3,377)	168,772
Other comprehensive income (expense) for the year	-	-	-	-	-	13,583	-	-	-	(2,051)	-	11,532	777	12,309
Total comprehensive income (expense) for the year	-	-	-	-	-	13,583	-	-	-	(2,051)	172,149	183,681	(2,600)	181,081
Transfer to future development funds reserve, net of utilisation	-	-	-	-	15,513	-	-	-	-	-	(15,513)	-	-	-
Recognition of equity-settled share-based payments (note 39)	-	-	-	-	-	-	17,365	-	-	-	-	17,365	-	17,365
Cancellation and redemption of share option (note 39)	-	-	-	-	-	-	(12,830)	-	(82,161)	-	-	(94,991)	-	(94,991)
Dividend declared (note 16)	-	-	-	-	-	-	-	-	-	-	(35,131)	(35,131)	-	(35,131)
Issue of shares of the Company (note 37)	6,852	-	207,634	-	-	-	-	-	-	-	-	214,486	-	214,486
Transaction costs attribute to issue of shares	-	-	(2,802)	-	-	-	-	-	-	-	-	(2,802)	-	(2,802)
Issue of shares of a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	178,846	-	-	178,846	103,204	282,050
Transaction costs attribute to issue of shares of a subsidiary	-	-	-	-	-	-	-	-	(2,370)	-	-	(2,370)	(823)	(3,193)
Deregistration of Shandong Hanking Bangkai Green Building Materials Co., Ltd* (山東罕王邦凱綠色建材有限公司) ("Shandong Hanking Bangkai")	-	-	-	-	-	-	-	-	-	-	-	-	630	630
Profit appropriation to statutory surplus reserve	-	-	-	1,635	-	-	-	-	-	-	(1,635)	-	-	-
Contribution from non-controlling interest of Cygnet Gold Pty Ltd ("Cygnet Gold")	-	-	-	-	-	-	-	-	-	-	-	-	2,981	2,981
Acquisition of non-controlling interest of Cygnet Gold (note 12)	-	-	-	-	-	-	-	-	(53,798)	-	-	(53,798)	(10,333)	(64,131)
At 31 December 2025	167,055	(44,332)	546,990	251,760	618,065	(13,813)	14,626	(1,577,161)	(34,862)	3,595	1,908,154	1,840,077	99,870	1,939,947

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

Notes:

- (a) In accordance with the relevant company laws and regulations of the People's Republic of China (the "PRC") and the Articles of Association of the PRC subsidiaries, the PRC subsidiaries are required to appropriate 10% of their profit after taxation reported in their financial statements prepared in accordance with relevant accounting principles and financial regulations applicable to enterprises established in the PRC (the "PRC GAAP") to the statutory surplus reserve. The appropriation to statutory surplus reserve may cease if the balance of the statutory surplus reserve has reached 50% of the registered capital of the relevant PRC subsidiaries.

The statutory surplus reserves can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. However, when converting the statutory surplus reserve of the PRC subsidiaries into capital, the balance of such reserve remaining unconverted must not be less than 25% of the registered capital of the relevant PRC subsidiaries.

- (b) Pursuant to regulation in the PRC, Fushun Hanking Aoni Mining Co., Ltd*(撫順罕王傲牛礦業股份有限公司)("Aoni Mining"), and Fushun Hanking Shangma Mining Co., Ltd*(撫順罕王上馬礦業有限公司)("Shangma Mining"), subsidiaries of the Group carrying on Iron Ore Business (as defined in note 1), are required to transfer an amount to a safety fund ranging from RMB5-15 (2024: RMB5-15) per ton of iron ore mined annually.

Fushun Hanking Direct Reduced Iron Co., Ltd.*(撫順罕王直接還原鐵有限公司)("Hanking D.R.I.") and Benxi Yuqilin New Material Limited* (本溪玉麒麟新材料有限公司)("Benxi Yuqilin"), subsidiaries of the Group carrying on High-purity Iron Business (as defined in note 1), are required to transfer an amount to a safety fund ranging from 0.05% - 3.00% (2024: 0.05% - 3.00%) of annual operating income.

On 21 November 2022, government released new rules for safety fund. If the balance of the entity's safety fund reaches three times or more of the accrued amount of the previous year, the transfer to safety fund can be ceased. Following the effective of the new rules in November 2022, only Benxi Yuqilin are still required to transfer an amount to a safety fund as Benxi Yuqilin have not met the requirement.

Pursuant to the requirement of PRC government, the fund comprises mainly the safety fund which can be used for safety facilities and environment improvement. Upon incurring qualifying safety expenditure, an equivalent amount should be transferred from this safety fund to retained earnings. This safety fund is not available for distribution to shareholders. The amount provided and utilised during the current year amounted to RMB50,897,000 (2024: RMB17,792,000) and RMB 35,384,000 (2024: RMB40,828,000) respectively.

- * English name is for identification purpose only.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

Notes: – Continued

- (c) Special reserve mainly represented the distribution to the then equity shareholders at the time when the Company undergone business combination involving entities under common control in 2013 and 2019.
- (d) Other reserve consist of:
- (1) the deemed capital contribution/distribution arising from a series of group reorganisation in relation to the High-purity Iron Business during the year ended 31 December 2015;
 - (2) the deemed capital contribution arising from the disposal of a subsidiary and an associate of Fushun Hanking Ginseng & Iron Trading Co., Ltd.* (撫順罕王人參鐵貿易有限公司) (“**Ginseng Iron**”) to Fushun Majuncheng Iron Co., Ltd. and Hanking Industrial Group Co., Ltd. which are controlled by Ms. Yang Min, one of the Controlling Shareholders (as defined in note 1), respectively during the year ended 31 December 2015;
 - (3) the dilution impact to the change in the Group’s interest in a subsidiary during the year ended 31 December 2016;
 - (4) the dilution impact to the Group’s equity interest in Hanking Australia Investment Pty Ltd (“**Hanking Australia**”) from 97% to 94% for the year ended 31 December 2018;
 - (5) the deemed distribution arising from the interest-free amount due from a related party and financial guarantees provided to related parties controlled by Mr. Yang Jiye, one of the Controlling Shareholders;
 - (6) On 29 June 2018, Tuochuan (Hong Kong) Limited (“**Tuochuan (Hong Kong)**”) acquired 99% equity interest of Ginseng Iron from Liaoning Huaren Shengze Enterprise Management Group Co., Ltd. (遼寧華仁盛澤企業管理集團有限公司)(“**Huaren Shengze**”)(formerly known as Liaoning Hanking Investment Co., Ltd. (遼寧罕王投資有限公司)), which was owned as to 99% by Mr. Yang Jiye, one of the Controlling Shareholders and 1% by his spouse Ms. He Wan, for a consideration of RMB128,700,000, resulting in a debit to other reserve of RMB128,700,000 as deemed distribution, accordingly;
 - (7) On 24 August 2018, Hanking Australia, which was owned as to 97% by the Group and 3% by Golden Resource Investment Pty Ltd ATF Golden Discovery Holdings Trust (“**Golden Resource**”), whose 100% equity interests were owned and controlled by Dr. Qiu Yumin (“**Dr Qiu**”), a director of Hanking Australia and an executive director of the Company. Golden Resource has entered into a loan capitalisation agreement with the Company, Hanking Australia and Dr Qiu for capitalising the loan previously advanced to Hanking Australia from the Company amounting to Australia Dollars (“**AUD**”) 42,000,000 (equivalent to RMB209,345,000) as capital contribution to Hanking Australia (the “**Capital Injection**”). Golden Resource had been exempted from such capital contribution with its equity interest in Hanking Australia remained unchanged. Such exemption amount of AUD1,260,000 (equivalent to RMB6,280,000) was considered as salary payment to Dr. Qiu and charged to profit or loss immediately, with a corresponding credit to “non-controlling interests” in equity during the year ended 31 December 2018;

* English name is for identification purpose only.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

Notes: – Continued

(d) Other reserve consist of: – Continued

- (8) the deemed capital contribution arising from the gain on disposal in respect of Hanking (Indonesia) Mining Limited (“**Hanking (Indonesia)**”) and its subsidiaries and Shanghai Hanking Housing Technology Co., Ltd.* (上海罕王住宅工業科技有限公司) and its subsidiaries to related parties controlled by Mr. Yang Jiye, one of the Controlling Shareholders, during the year ended 31 December 2019;
- (9) the difference of RMB10,434,000 between the carrying amount of the non-controlling interests, and the fair value of the consideration paid arising from acquisition of 100% equity interest in Zhenghai Investment Limited;
- (10) On 25 October 2024, Watkins Gold Pty Ltd (“**Watkin Gold**”) acquired an additional 36.7% equity interest in Cygnet Gold for a consideration of AUD19,380,000 (equivalent to RMB92,311,000) from non-controlling interest. On 27 October 2025, Watkin Gold acquired an additional 6.7% equity interest in Cygnet Gold for a consideration of AUD16,600,000 (equivalent to RMB76,992,000) from non-controlling interest. Watkins Gold’s direct equity interest in Cygnet Gold at 31 December 2025 is 100%. Taking into account the Group’s 90.44% equity interest in Hanking Gold Limited, the Group’s equity interest in Cygnet Gold is 90.44% as at 31 December 2025. The excess of consideration paid over the value of non-controlling interest of RMB58,391,000 in 2024 and RMB66,659,000 in 2025 was debited to other reserve in the consolidated statement of changes in equity;
- (11) On 27 October 2025, the Company repurchased and cancelled all outstanding share options at an exercise price of AUD2.11 per option. Upon cancellation, the remaining unrecognised share-based payment expense relating to unvested options was accelerated and recognised in profit or loss. The amount paid in excess of the carrying amount of the share-based payment reserve of RMB82,161,000 was recognised directly in equity reserve;
- (12) On 13 October and 27 October 2025, Hanking Gold Limited completed its capital raising and issued a total of 457,450,000 shares at the subscription price of HKD2.62 per share. Of this new issued shares, 339,550,000 shares were subscribed by the Company and 117,900,000 shares were subscribed by the non-controlling interests. The non-controlling interests contributed an aggregate amount of HKD308,898,000 (equivalent to RMB282,050,000) as capital injection, of which RMB178,846,000 representing an increase in owners’ equity arising from the capital contribution by the non-controlling interests. The total transaction costs related to the issuance of Hanking Gold Limited shares was RMB3,193,000, of which RMB2,370,000 was attributable to the owners of the Company with the balance of RMB823,000 was attributable to non-controlling interests.

* English name is for identification purpose only.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
OPERATING ACTIVITIES		
Profit before tax	282,284	299,120
Adjustments for:		
Finance costs	69,432	67,518
Share of results of associates	(510)	4,473
Interest income	(12,640)	(10,221)
Impairment loss on property, plant and equipment	311	–
Impairment loss of interests in associates	–	5,975
Impairment losses under expected credit loss (“ECL”) model, net of reversal	3,380	(1,067)
Loss on disposal/write off of property, plant and equipment	1,585	3,981
Depreciation of property, plant and equipment	118,279	104,951
Amortisation of intangible assets	19,730	19,931
Amortisation of right-of-use assets	16,830	14,821
Fair value (gain) loss on financial assets at FVTPL	(97)	907
Net foreign exchange loss	420	54
Recognition of equity-settled share-based payments	17,365	4,566
Performance compensation from a shareholder of an associate	(1,500)	–
Loss on deregistration of Shandong Hanking Bangkai	630	–
Operating cash flows before movements in working capital	515,499	515,009
Decrease (increase) in inventories	24,147	(28,958)
Increase in trade and other receivables	(161,351)	(64,352)
(Increase) decrease in receivables at FVTOCI	(100,187)	10,388
Decrease in trade, bills and other payables	(41,717)	(78,315)
Decrease in contract liabilities	(24,535)	(11,165)
Decrease in rehabilitation provision	(2,487)	(1,156)
Cash generated from operations	209,369	341,451
Income tax paid	(96,847)	(162,782)
NET CASH FROM OPERATING ACTIVITIES	112,522	178,669

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

	NOTES	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(75,551)	(61,748)
Payments for acquisition of intangible assets		(110,146)	(67,273)
Payments for acquisition of right-of-use assets		(3,427)	(9,265)
Proceeds on disposal of property, plant and equipment		8,897	2,620
Interest received		10,133	8,421
Withdrawal of restricted deposits		–	29
Placement of restricted deposits		(802)	(134)
Net cash flow on acquisition of Fushun Shuangfu Mining Co., Ltd. (“ Shuangfu Mining ”)	12	–	(13,854)
Acquisition of investment in an associate	22	(1,000)	–
Advances received from third parties	28	–	36,600
Advances receipt from Huineng Gold Pty Ltd (“ Huineng Gold ”)	32	–	8,464
Net cash outflow on acquisition of Cygnet Gold	12	(76,992)	(92,311)
Withdrawal of pledged bank deposits in relation to borrowings and bills payables		1,357,365	1,096,214
Placement of pledged bank deposits in relation to borrowings and bills payables		(1,262,040)	(977,432)
Placement of time deposits		(437,620)	–
Reimbursement of exploration and evaluation cost received from Huineng Gold		11,973	–
Proceeds from disposal of listed investments		–	1,452
Payments for investment in unlisted managed investment funds		–	(3,000)
Proceeds from disposal of unlisted managed investment funds		–	3,000
Advance to an associate		(3,000)	–
Repayment received from an associate		3,000	–
Performance compensation received from a shareholder of an associate		1,500	–
Repayment received from the related parties	47	6,047	–
NET CASH USED IN INVESTING ACTIVITIES		(571,663)	(68,217)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

	NOTES	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
FINANCING ACTIVITIES			
New borrowings raised		882,700	577,449
Repayments of borrowings		(762,480)	(504,172)
Proceeds from bills discounted to banks that are not de-recognised in their entirety		110,468	87,580
Proceeds from factoring of trade receivables to non-bank financial institutions with full recourse		122,990	49,600
Proceeds from notes financing		1,091,000	1,130,111
Payments for notes financing		(1,227,278)	(1,228,283)
Payments of lease liabilities		(2,894)	(3,381)
Interest paid		(66,789)	(65,429)
Dividend paid to owners of the Company		(37,815)	(69,695)
Loans raised from related parties		1,119,070	653,914
Repayment of advance from a related party		(1,117,406)	(649,706)
Payments on repurchase of share option	39	(94,991)	–
Proceeds from issue of shares	37	214,486	–
Transaction costs attributable to issue of shares		(2,802)	–
Issue of shares of Hanking Gold Limited to non-controlling interests		282,050	–
Transaction costs attribute to issue of shares of Hanking Gold Limited		(3,193)	–
Contribution from non-controlling interests of Cygnet Gold		2,981	–
NET CASH FROM (USED IN) FINANCING ACTIVITIES		510,097	(22,012)
NET INCREASE IN CASH AND CASH EQUIVALENTS		50,956	88,440
CASH AND CASH EQUIVALENTS AT 1 JANUARY		358,128	270,258
Cash and cash equivalents of the Disposal Group (as defined in note 13) eliminated upon transfer to assets classified as held for sale (note 13)		1,817	(1,817)
Effect of foreign exchange rate changes		(5,333)	1,247
TOTAL CASH AND CASH EQUIVALENTS AT 31 DECEMBER		405,568	358,128
REPRESENTED BY CASH AND CASH EQUIVALENTS		405,568	358,128

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

1. GENERAL INFORMATION

Hanking Gold International Limited (formerly known as China Hanking Holdings Limited) (the “**Company**”) is a public limited company incorporated in the Cayman Islands on 2 August 2010 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 September 2011. In the opinion of the directors of the Company (the “**Directors**”), Bisney Success Limited (incorporated in the British Virgin Islands (“**BVI**”)), Tuochuan Capital Limited (incorporated in the BVI) and China Hanking (BVI) Limited (incorporated in the BVI), shareholders of the Company, are the ultimate parents of the Company as they are collectively controlled by the Company’s ultimate controlling shareholders, Mr. Yang Jiye and Ms. Yang Min (collectively, the “**Controlling Shareholders**”). The address of the registered office of the Company in Cayman Islands is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of principal place of business of the Company in Hong Kong is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

Following a special resolution passed on 12 February 2026, the name of the Company has been changed from China Hanking Holdings Limited to Hanking Gold International Limited, together with the chinese name changed from 中國罕王控股有限公司 to 罕王黃金國際有限公司.

The Company is an investing holding company. During the year ended 31 December 2025, the Company and its subsidiaries (the “**Group**”) are engaged in the following three principal activities:

- (i) iron ore exploration, mining, processing and sale (“**Iron Ore Business**”);
- (ii) high-purity iron smelting, processing and sale (“**High-purity Iron Business**”); and
- (iii) gold exploration, mining, processing and sale (“**Gold Business**”).

Details of the Company’s subsidiaries are set out in note 38.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS**Amendments to IFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to IFRS Accounting Standards for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IFRS Accounting Standards 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 IFRS Accounting Standards in issue but not yet effective

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

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

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

(CONTINUED)

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 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 IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 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 IFRS Accounting Standards. 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 of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

Going Concern Assessment

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***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 Group. 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 component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of good, or for administrative purpose (other than construction in progress). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**3.2. Material accounting policy information (continued)*****Intangible assets******Intangible assets acquired separately***

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

Internally-generated intangible assets - exploration and evaluation assets

Exploration and evaluation costs incurred where such expenditure is considered likely to be recoverable through future extraction activity or sale, or where the exploration activities have not reached a stage which permits a reasonable assessment of the existence of reserves, is capitalised and recorded on the consolidated statement of financial position as intangible assets within the category of exploration and evaluation assets at the exploration stage.

Exploration and evaluation assets comprise costs directly attributable to:

- Research and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods;
- Compiling pre-feasibility and feasibility studies.

Exploration and evaluation assets are stated at cost less any impairment losses. Exploration and evaluation costs include expenditure incurred to secure further mineralisation in existing ore bodies. Exploration and evaluation rights will be transferred to mining rights once the mining rights certificates obtained. The carrying amount of exploration and evaluation rights is assessed for impairment when facts or circumstances suggest the carrying amount of the asset may exceed its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Intangible assets *(continued)*

Mining rights

Mining rights are stated at cost less amortisation and any recognised impairment loss. The mining rights are amortised over the shorter of the unexpired period of the rights on the straight-line basis or the estimated useful lives of the mines, in accordance with the production plans of the entities concerned and the proved and probable reserves of the mines using the units of production method.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss in the period when the asset is derecognised.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

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

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

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office rooms and machines that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*3.2. Material accounting policy information *(continued)***Leases** *(continued)**The Group as a lessee (continued)*

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the loan prime rate released by the National Interbank Funding Center authorized by the People's Bank of China and bank bill swap bid rate released by Reuters.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “**lease modifications**”).

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

Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***3.2. Material accounting policy information** *(continued)***Leases** *(continued)**The Group as a lessee (continued)*Lease modifications *(continued)*

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill *(continued)*

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

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

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

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***3.2. Material accounting policy information** *(continued)****Goodwill*** *(continued)*

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 5 and 33.

Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Non-current assets held for sale *(continued)*

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Business combinations or asset acquisitions

Optional concentration test

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***3.2. Material accounting policy information** *(continued)****Business combinations or asset acquisitions*** *(continued)**Asset acquisitions*

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

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "**Conceptual Framework**") except for transactions and events within the scope of *IAS 37 Provisions, Contingent Liabilities and Contingent Assets* or *IFRIC 21 Levies*, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Business combinations or asset acquisitions (continued)

Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***3.2. Material accounting policy information** *(continued)****Business combinations or asset acquisitions*** *(continued)****Business combinations*** *(continued)*

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

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

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

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

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

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is designated and effective as a hedging instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**3.2. Material accounting policy information (continued)****Financial instruments (continued)***Financial assets (continued)*

Classification and subsequent measurement of financial assets (continued)

(i) Amortised cost and interest income

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

(ii) Debt instruments/receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments/receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments/receivables had been measured at amortised cost. All other changes in the carrying amount of these debt instruments/receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowance are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments/receivables. When these debt instruments/receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Classification and subsequent measurement of financial assets *(continued)*

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, receivables at FVTOCI, pledged bank deposits, restricted deposits, cash and cash equivalents, amount due from a related party and investment deposits). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***3.2. Material accounting policy information** *(continued)***Financial instruments** *(continued)***Financial assets** *(continued)*Impairment of financial assets subject to impairment assessment under IFRS 9 *(continued)*

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 *(continued)*

(i) Significant increase in credit risk *(continued)*

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***3.2. Material accounting policy information** *(continued)***Financial instruments** *(continued)***Financial assets** *(continued)*Impairment of financial assets subject to impairment assessment under IFRS 9 *(continued)*

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

The ECL for trade and other receivables are assessed individually.

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

Except for receivables that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account. For receivables that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amounts of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (note 7b) as part of the foreign exchange gains/(losses).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of receivables at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

Financial liabilities and equity

Classification as debt or equity

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***3.2. Material accounting policy information** *(continued)****Financial instruments*** *(continued)****Financial liabilities and equity*** *(continued)***Equity instruments**

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade, bills and other payables, borrowings and amount due to a related party are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (note 7b) as part of net foreign exchange losses for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Financial liabilities at amortised cost *(continued)*

Offsetting a financial asset and a financial liability

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

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***3.2. Material accounting policy information** *(continued)***Taxation** *(continued)*

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

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, ultimate costs incurred for rehabilitation provisions, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities, rehabilitation provisions and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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

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

Inventories

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in the foreign operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**3.2. Material accounting policy information (continued)*****Foreign currencies (continued)***

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Share-based payments***Equity-settled share-based payment transactions***

Share awards/Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to retained earnings. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to retained earnings.

When share awards granted are vested, the amount previously recognised in share-based payments reserve will be transferred to other reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Share-based payments *(continued)*

Equity-settled share-based payment transactions *(continued)*

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognises, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period.

Provisions

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**3.2. Material accounting policy information (continued)*****Closure and rehabilitation***

The mining extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling; removal or treatment of waste materials and restoration; site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of relevant authorities and the Group's environmental policies.

Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation and at the time of closure in connection with disturbances at the reporting date. Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

The timing of the actual closure and rehabilitation expenditure is dependent upon a number of factors such as the life and nature of the asset, the operating licence conditions, the principles of the Group's charter and the environment in which the mine operates. Expenditure may occur before and after closure and can continue for an extended period of time dependent on closure and rehabilitation requirements.

Closure and rehabilitation provisions are based on estimates of required expenditure at the mines in accordance with the relevant rules and regulations where the mines of the Group located. The Group estimates its liabilities for final reclamation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work, the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in mining related assets as included in property, plant and equipment and depreciated accordingly. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognised in finance costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

3.2. Material accounting policy information *(continued)*

Employee benefits

Short-term employee benefits

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

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

Retirement benefit costs

Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

The Company does not operate any defined contribution schemes, and as such, there is no forfeited contributions, nor does the Company employ any actuary for defined benefit plans.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)***3.2. Material accounting policy information** *(continued)****Investments in associates***

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Judgement in determining the classification of debt instruments

As part of the Group's cash flow management, substantial part of the bills are discounted to financial institutions or endorsed to suppliers before the bills are due for settlement. The management of the Group considered that the Group's business model over bills receivables is held to both collect contractual cash flows and to have them sold. Therefore, the management of the Group has satisfied that bills receivables are classified as receivables at FVTOCI.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU (or group of CGUs) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU (or group of CGUs) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 December 2025, the carrying amount of goodwill is RMB209,132,000 (2024: RMB209,132,000) (net of accumulated impairment loss of nil (2024: nil)). Details of the recoverable amount calculation are disclosed in note 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty *(continued)*

Estimated useful lives of property, plant and equipment and intangible assets

The Group determines the estimated useful lives and related depreciation/amortisation charges for its property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature, taking into consideration of the production plan and the estimated reserves of the mines (included in intangible assets) using the unit-of-production method. The Group will increase the depreciation/amortization charge where useful lives are less than previously estimated lives, or write off/write down those assets which are technically obsolete or abandoned.

Reserve estimates

Proved and probable reserve estimates are estimates of the quantity of iron ore that can be economically and legally extracted from the Group's mining properties, determined according to independent technical review reports with the consideration of recent production and technical information of each mine. Fluctuations in factors including the price of iron ore, production costs and transportation costs of iron ore, a variation on recovery rates or unforeseen geological or geotechnical perils may render the management to change the production plan, resulting in a revision on the estimates of iron ore reserves.

Because the economic assumptions used to estimate reserves change from period to period, and because additional geological data is generated during the course of operations, estimates of reserves may change from period to period.

Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charged to profit or loss may change where such charges are determined by the unit-of-production basis, or where the useful economic lives of assets change.
- The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Estimated impairment of long-lived assets (property, plant and equipment, intangible assets and right-of-use assets)

Assets such as property, plant and equipment, intangible assets and right-of-use assets are reviewed at the end of each reporting period to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognised.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and value in use calculated based on its present value of expected future cash flows. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. In assessing value in use, it involves managements' significant judgments and assumptions on budgeted revenue, gross margin, long term growth rate, and discount rate when preparing the cash flow forecast to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flow, additional impairment loss may arise. On the contrary, a reversal of impairment loss may become necessary.

As at 31 December 2025, the carrying amount of long-lived assets is RMB1,536,147,000 (net of accumulated impairment losses of RMB133,380,000 (2024: RMB1,128,299,000 (net of accumulated impairment losses of RMB134,911,000))).

Closure and rehabilitation provision

Closure and rehabilitation provision as set out in note 35 has been determined by the Directors based on current regulatory requirements and their best estimates. The management of the Group estimate this liability for final reclamation and mine closure is based on detailed calculation of the amounts and timing of future cash flows that required to perform the required work. The provision reflects the present value of the expenditures expected to be required to settle the obligation. However, as the impact on the land and environment resulting from mining activities will become apparent only in future periods, the estimate of the associated costs may be subject to change in the future. The provision is reviewed regularly to properly reflect the present value of the obligation arising from the current and past mining activities. As at 31 December 2025, the carrying amount of closure and rehabilitation provision was RMB91,537,000(2024: RMB29,096,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty *(continued)*

Estimated impairment of financial assets

The Group reviews its financial assets to assess impairment on a regular basis. The methodologies and assumptions used for estimating the impairment are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The Directors estimate the amount of loss allowance for ECL on financial assets (including trade and other receivables, receivables at FVTOCI, restricted deposits, pledged bank deposits and bank balances), based on the credit risk of these assets. The estimation of the credit risk of these assets involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise. As at 31 December 2025, the carrying amount of the financial assets which are subject to ECL measurement is approximately RMB1,860,080,000 (net of allowance for doubtful debts of RMB38,208,000 (2024: RMB1,361,767,000 (net of allowance for doubtful debts of RMB32,777,000))).

Recognition of deferred tax assets

The Group recognised deferred tax assets for all deductible temporary differences to the extent that it is probable that taxable profit would be available against which the deductible temporary difference can be utilised. In cases where the actual future profits generated are less than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

As at 31 December 2025, the Group has recognised deferred tax assets before offsetting deferred tax liabilities in the amount of RMB190,698,000 (2024: RMB230,556,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

A. For the year ended 31 December 2025

	For the year ended 31 December 2025			
	Iron Ore Business RMB'000	High-purity Iron Business RMB'000	Others RMB'000	Total RMB'000
Sales of goods (recognised at a point in time)				
Iron ore concentrates	215,237	–	–	215,237
High-purity iron	–	2,328,803	–	2,328,803
Building materials	–	–	25	25
Raw and leftover materials	2,653	9,553	898	13,104
	217,890	2,338,356	923	2,557,169
Rendering of service (recognised over time)				
Processing of iron ore	2,335	–	–	2,335
Total	220,225	2,338,356	923	2,559,504
Geographical market				
Mainland China	220,225	2,338,356	923	2,559,504

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

5. REVENUE (CONTINUED)

(i) Disaggregation of revenue from contracts with customers (continued)

B. For the year ended 31 December 2024

	For the year ended 31 December 2024			
	Iron Ore Business RMB'000	High-purity Iron Business RMB'000	Others RMB'000	Total RMB'000
Sales of goods (recognised at a point in time)				
Iron ore concentrates	200,318	–	–	200,318
High-purity iron	–	2,252,706	–	2,252,706
Building materials	–	–	2,287	2,287
Raw and leftover materials	1,473	23,409	1,590	26,472
	201,791	2,276,115	3,877	2,481,783
Rendering of service (recognised over time)				
Processing of iron ore	2,367	–	–	2,367
Total	204,158	2,276,115	3,877	2,484,150
Geographical market				
Mainland China	204,158	2,276,115	3,877	2,484,150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

5. REVENUE (CONTINUED)

(ii) Performance obligations for contracts with customers and revenue recognition policies

Sales of goods

The Group produces and sales iron ore concentrates, high-purity iron, building materials and raw and leftover materials directly to customers.

Revenue is recognised when control of the goods has been transferred, being the time when the goods are delivered and accepted. Following acceptance, the customers have the ability to direct the use of, and obtain substantially all the benefits from the goods. Therefore, the Directors have justified that the performance obligation in respect of the sales of goods is satisfied when the goods are accepted by the customers and recognised revenue at a point in time. The normal credit term is 7 days for iron ore concentrates, 60 days for high-purity iron and 30 days for building materials upon acceptance. The Group may request certain of its customers to place up to 100% of the contract sum as deposits in respect of sales of iron ore concentrates and high-purity iron, depending on their background, historical experience and business relationship. The deposit received is accounted for as “contract liabilities”. The related performance obligation is expected to be satisfied within one year.

Rendering of service

The Group provides iron ore processing services in respect of the iron ore of Fushun Majuncheng Iron Mine Co., Ltd.* (撫順市馬郡城鐵礦有限責任公司) (“**Fushun Majuncheng**”), a related party of the Group. The Group allows a credit period of 30 days to its customer of processing of iron ore.

Revenue from the provision of such services is charged on a per-ton basis and is recognised over time by reference to the progress towards satisfaction of the relevant performance obligation as the customer simultaneously receives and consumes the benefits provided by the Group when the Group renders the services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

6. OPERATING SEGMENTS

The Group's operating businesses are structured and managed separately based on their geographical locations and product lines. The Group's principal activities include Iron Ore Business, High-purity Iron Business in the PRC, and Gold Business in Australia. Each operating segment represents a component of the Group that (a) engages in business activities from which it may earn revenue and incur expenses; and (b) has its operating results regularly reviewed by the CEO, being the chief operating decision maker ("CODM"), to make decisions about resources allocation and performance assessment.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Other operating segment represents production and sales of building materials (i.e. foamed ceramics) and leasehold lands.

Segment revenues and results

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

For the year ended 31 December 2025

	Iron Ore Business RMB'000	High-Purity Iron Business RMB'000	Gold Business RMB'000	Others RMB'000	Elimination RMB'000	Consolidated RMB'000
Segment revenue						
External sales	220,225	2,338,356	–	923	–	2,559,504
Inter-segment sales	641,361	4,441	–	–	(645,802)	–
	861,586	2,342,797	–	923	(645,802)	2,559,504
Segment profit (loss)	327,156	15,011	(33,811)	(8,487)	3,192	303,061
Central administration costs and directors' salaries						(20,978)
Other income and other gains and losses						29
Share of results of associates						510
Finance cost						(338)
Group's profit before tax						282,284

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

6. OPERATING SEGMENTS *(CONTINUED)*

Segment revenues and results *(continued)*

For the year ended 31 December 2024

	Iron Ore Business RMB'000	High-Purity Iron Business RMB'000	Gold Business RMB'000	Others RMB'000	Elimination RMB'000	Consolidated RMB'000
Segment revenue						
External sales	204,158	2,276,115	–	3,877	–	2,484,150
Inter-segment sales	762,017	5,790	–	–	(767,807)	–
	966,175	2,281,905	–	3,877	(767,807)	2,484,150
Segment profit (loss)	403,015	(78,174)	(8,737)	(8,957)	13,228	320,375
Central administration costs and directors' salaries						(6,181)
Other income and other gains and losses						(10,601)
Share of results of associates						(4,473)
Group's profit before tax						299,120

The accounting policies of the operating segments are the same as the Group's accounting policies, as set out in note 3. Segment profit or loss represents the profit earned or loss incurred by each segment, excluding the allocation of central administration costs and directors' salaries, share of results of associates, other income and other gains and losses (except for impairment loss on property, plant and equipment, and intangible assets, which are directly attributable to segment). This measure is reported to the CODM for the purposes of resource allocation and performance evaluation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

6. OPERATING SEGMENTS (CONTINUED)**Segment assets and liabilities**

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

Segment assets

	31/12/2025 RMB'000	31/12/2024 RMB'000
Iron Ore Business	1,203,052	1,090,381
High-purity Iron Business	1,631,543	1,657,039
Gold Business	1,056,488	560,234
Total reportable segment assets	3,891,083	3,307,654
Other reporting segments	63,073	65,557
Unallocated		
Financial assets at FVTPL	252	147
Other receivables	–	6,047
Interests in associates	9,598	8,088
Cash and cash equivalents	75,657	204,455
Consolidated total assets	4,039,663	3,591,948

Segment liabilities

	31/12/2025 RMB'000	31/12/2024 RMB'000
Iron Ore Business	885,793	616,182
High-purity Iron Business	1,134,325	1,352,664
Gold Business	39,090	141,938
Total reportable segment liabilities	2,059,208	2,110,784
Other reporting segment	3,102	3,013
Unallocated		
Tax liabilities	37,406	33,865
Dividend payable	–	2,684
Consolidated total liabilities	2,099,716	2,150,346

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

6. OPERATING SEGMENTS *(CONTINUED)*

Segment assets and liabilities *(continued)*

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable and operating segments other than financial assets at FVTPL, other receivables, interests in associates and cash and cash equivalents which are held by the headquarter and cannot be specifically allocated; and
- all liabilities are allocated to the reportable and operating segments other than certain tax liabilities and dividend payable that are incurred by the headquarter.

For the year ended 31 December 2025

	Iron Ore Business RMB'000	High-Purity Iron Business RMB'000	Gold Business RMB'000	Total reportable segment RMB'000	Others RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Addition to non-current assets (note)	87,626	51,080	88,152	226,858	542	227,400
Depreciation and amortisation	87,348	63,064	641	151,053	3,786	154,839
Loss (gain) on disposal/write off of property, plant and equipment	296	1,685	–	1,981	(396)	1,585
Impairment loss on property, plant and equipment	–	–	–	–	311	311
Impairment losses recognised (reversed) on trade receivables	2,954	3,567	–	6,521	(1,168)	5,353
Impairment losses recognised on other receivables	69	9	–	78	–	78
Impairment losses reversed on receivables at FVTOCI	(1,635)	(416)	–	(2,051)	–	(2,051)

Note: Non-current assets included property, plant and equipment, intangible assets and right-of use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

6. OPERATING SEGMENTS (CONTINUED)

Segment assets and liabilities (continued)

For the year ended 31 December 2024

	Iron Ore Business RMB'000	High-Purity Iron Business RMB'000	Gold Business RMB'000	Total reportable segment RMB'000	Others RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Addition to non-current assets (note)	69,508	21,351	37,465	128,324	11,469	139,793
Depreciation and amortisation	85,169	50,800	631	136,600	3,103	139,703
Loss (gain) on disposal/write off of property, plant and equipment	3,984	(1,124)	–	2,860	1,121	3,981
Impairment losses recognised (reversed) on trade receivables	56	1,963	–	2,019	(3,150)	(1,131)
Impairment losses reversed on other receivables	(3,633)	–	–	(3,633)	–	(3,633)
Impairment losses recognised on receivables at FVTOCI	2,616	1,081	–	3,697	–	3,697

Note: Non-current assets included property, plant and equipment, intangible assets and right-of use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

6. OPERATING SEGMENTS (CONTINUED)

Geographical information

The Group's operations are located in the PRC and Australia.

Information about the Group's revenue from external customers is presented based on location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the respective assets.

	Revenue from external customers		Non-current assets	
	Year ended			
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RMB'000	RMB'000	RMB'000	RMB'000
The PRC	2,559,504	2,484,150	1,237,397	1,248,296
Australia	–	–	530,815	97,224
Japan	–	–	8,284	7,384
	2,559,504	2,484,150	1,776,496	1,352,904

Note: Non-current assets excluded financial instruments and deferred tax assets.

Information about major customers

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

	Year ended	Year ended
	31/12/2025	31/12/2024
	RMB'000	RMB'000
Customer A ¹	441,753	425,332
Customer B ¹	265,280	N/A ²
Total	707,033	425,332

¹ Revenue from sales of high-purity iron.

² The corresponding revenue did not contribute over 10% of the total revenue of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

7A. OTHER INCOME

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Bank interest income	12,640	10,221
Government grants	127	1,052
Rental income	1,200	1,200
Others	–	382
	13,967	12,855

7B. OTHER GAINS AND LOSSES

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Impairment loss on property, plant and equipment	(311)	–
Impairment loss on interest in an associate (note 22)	–	(5,975)
Fair value gain (loss) on financial assets at FVTPL	97	(907)
Net foreign exchange loss	(420)	(54)
Loss on disposal/write off of property, plant and equipment	(1,585)	(3,981)
Performance compensation from a shareholder of an associate	1,500	–
Others	2,897	(2,056)
	2,178	(12,973)

8. IMPAIRMENT LOSSES ON UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Impairment losses recognised (reversed) in respect of:		
– trade receivables	5,353	(1,131)
– other receivables	78	(3,633)
– receivables at FVTOCI	(2,051)	3,697
	3,380	(1,067)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

9. FINANCE COSTS

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Interests on:		
– bank borrowings	44,571	41,877
– other borrowings	3,180	1,181
– bills discounted	18,663	22,841
– lease liabilities	130	176
– rehabilitation provision	2,888	1,443
	69,432	67,518

10. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting) the following:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Auditor's remuneration		
– Audit and review services	3,200	3,700
– Other services	278	681
	3,478	4,381
Cost of inventories recognised as an expense	1,798,900	1,698,170
Depreciation of property, plant and equipment	118,279	104,951
Amortisation of intangible assets	19,730	19,931
Depreciation of right-of-use assets	16,830	14,821
Total depreciation and amortisation	154,839	139,703
Capitalised in inventories	(133,622)	(116,085)
	21,217	23,618
Analysed as:		
– charged to research and development expenses	–	1
– charged to administrative expenses	21,217	23,617
	21,217	23,618

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

10. PROFIT BEFORE TAX (CONTINUED)Profit before tax has been arrived at after charging (crediting) the following items: *(continued)*

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Salaries, allowances and benefits	188,511	180,332
Bonus	10,122	9,685
Retirement benefit scheme contributions	15,622	13,414
Share-based payments	17,365	4,566
Total staff costs (including Directors)	231,620	207,997
Capitalised in inventories and exploration and evaluation assets	(108,956)	(91,247)
	122,664	116,750
Analysed as:		
– charged to research and development expenses	–	49
– charged to distribution and selling expenses	663	1,296
– charged to administrative expenses	122,001	115,405
	122,664	116,750
Research and development cost charged to profit or loss analysed as:		
– depreciation and amortisation	–	1
– raw materials consumed	–	6
– staff costs	–	49
– technical service fee	351	2,201
– others	–	4
	351	2,261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

11. INCOME TAX EXPENSE

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Current tax:		
PRC Enterprise Income Tax ("EIT")	90,975	114,567
Withholding tax	3,541	7,260
Under provision in prior years	761	4,737
	95,277	126,564
Deferred tax (note 25):	18,235	(2,993)
Total income tax expense recognised in the current year	113,512	123,571

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Company and certain subsidiaries located in Hong Kong and Australia did not have provision for income tax as there were no assessable profits arising from these jurisdictions for both years.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

11. INCOME TAX EXPENSE (CONTINUED)

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

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Profit before tax	282,284	299,120
Tax at the PRC income tax rate of 25%	70,571	74,780
Tax effect of expenses not deductible for tax purpose	16,207	9,490
Tax effect of research and development expenses that are additionally deducted	(70)	(455)
Tax effect of deductible temporary differences not recognised	5,722	(1,655)
Tax effect of tax losses not recognised	32,351	18,826
Tax effect of income not taxable for tax purposes	(2,904)	–
Under provision in respect of prior years	761	4,737
Effect of different tax rates of subsidiaries operating in other jurisdictions	(1,568)	(565)
Deferred tax adjustment on investment in Disposal Group (as defined in note 13)	–	11,153
Reclassification upon cessation of assets held for sale classification (note 13)	(11,099)	–
Withholding tax	3,541	7,260
Income tax expense for the year	113,512	123,571

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

12. ACQUISITION OF SUBSIDIARIES

(i) Acquisition of Shuangfu Mining

On 5 February 2024, Aoniu Mining, a wholly owned subsidiary of the Company, acquired 100% equity interest in Shuangfu Mining for RMB21,000,000, of which a deposit of RMB7,000,000 was paid as of 31 December 2023. Following completion of the acquisition, Shuangfu Mining become a wholly owned subsidiary of Aoniu Mining.

As the Group acquires a group of assets and liabilities that do not constitute a business, the Group identified and recognised the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, with remaining balance of the purchase price allocated to exploration and evaluation assets at the date of acquisition.

Assets and liabilities recognised at the date of acquisition

	RMB'000
Cash and cash equivalents	146
Intangible assets - exploration and evaluation assets	21,118
Other payables	(264)
Net assets	21,000
Consideration paid in cash in 2023	7,000
Consideration paid in cash in 2024	14,000
Net assets acquired	21,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

12. ACQUISITION OF SUBSIDIARIES (CONTINUED)**(i) Acquisition of Shuangfu Mining (continued)*****Net cash outflows arising on acquisition of Shuangfu Mining***

	RMB'000
Consideration paid in cash in 2023	7,000
Consideration paid in cash in 2024	14,000
Less: cash and cash equivalents acquired	(146)
	20,854

(ii) Acquisition of non-controlling interest of Cygnet Gold

On 25 October 2024, Watkins Gold, a wholly-owned subsidiary of Hanking Australia, acquired an additional 36.7% equity interest in Cygnet Gold for a consideration of AUD19,380,000 (equivalent to RMB92,311,000) from non-controlling interest. As a result of this acquisition, Watkins Gold's direct equity interest in Cygnet Gold increased from 56.7% to 93.4%. The excess of consideration paid over the value of the non-controlling interest of RMB58,391,000, was taken to other reserve in the consolidated statement of changes in equity.

On 27 October 2025, Watkins Gold acquired an additional 6.6% equity interest in Cygnet Gold for a consideration of AUD16,600,000 (equivalent to RMB76,992,000) from non-controlling interest, of which an aggregate of 2.75% equity equity in Cygnet Gold was sold by Qiu Family Super Pty Ltd ATF Qiu Family Super Fund and Golden Resource, which are both controlled by Dr. Qiu, for a consideration of AUD6,900,000 (equivalent to RMB32,003,000). Following this acquisition, Watkins Gold's direct equity interest in Cygnet Gold increased from 93.4% to 100%. The excess of consideration paid over the value of the non-controlling interest of RMB66,659,000, was taken to other reserve in the consolidated statement of changes in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

13. ASSETS CLASSIFIED AS HELD FOR SALE

On 1 July 2024, HGM Resources Pty Ltd, one of the subsidiaries of the Company, signed a share sale agreement (“**Share Sale Agreement**”) for disposing 100% of the equity interest in Primary Gold Pty Ltd and its wholly-owned subsidiary, Primary Minerals Pty Ltd, (the “**Disposal Group**”) (the “**Disposal**”). Pursuant to the share sale agreement, the Company conditionally agreed to dispose, and the purchaser, Huineng Gold, conditionally agreed to purchase, 100% of the equity interest in Primary Gold Pty Ltd at a purchase price of AUD300 million plus the environmental bond amount of AUD3,116,653 (equivalent to RMB1,444,351,000 in aggregate). This disposal was offered by the purchaser following a competitive global sales process and based on an arm’s length negotiation. Completion is expected to occur within 12 months and is conditional upon the satisfaction of the key conditions, which are, approval from the Australia Foreign Investment Review Board and the Chinese National Development and Reform Commission.

The assets and liabilities attributable to the Disposal Group, which are expected to be sold within twelve months, have been classified as assets held for sale and are presented separately in the consolidated statement of financial position. The Disposal Group is included in the Group’s Gold Business for segment reporting purposes (see note 6).

Since the net proceeds from the disposal are expected to exceed the net carrying amount of the Disposal Group, no impairment loss is required to be recognised.

The major classes of assets and liabilities of the Disposal Group classified as held for sale are as follows:

	RMB’000
Property, plant and equipment	13,791
Intangible assets	313,643
Restricted deposits	12,284
Other receivables	162
Cash and cash equivalents	1,817
Total assets classified as held for sale	341,697
Provisions	12,496
Deferred tax liabilities	59,304
Trade and other payables	4,142
Total liabilities classified as held for sale	75,942

On 1 July 2025, being the sunset date as defined in the Share Sale Agreement, the Purchaser failed to obtain the approval from the Australia Foreign Investment Review Board, which is one of the key conditions to be fulfilled before the sunset date. Accordingly, on 2 July 2025, the Vendor elected to exercise its right to terminate the Share Sale Agreement. (the “**Termination**”). In view of the Termination, the Company ceased to classify the relevant assets and liabilities of the then Disposal Group as “assets held for sale” in the consolidated financial statements.

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for the year ended 31 December 2025

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the 9 (2024: 11) Directors were as follows:

	For the year ended 31 December 2025					
	Directors' fees RMB'000	Retirement benefit scheme contributions RMB'000	Salaries, allowances and benefits in kind RMB'000	Equity settled share-based expense RMB'000	Bonus RMB'000	Total RMB'000
Executive directors (note e):						
– Yang Jiye (note a)	–	112	1,887	–	400	2,399
– Zheng Xuezhi (note b)	–	112	1,072	–	400	1,584
– Dr. Qiu	–	358	4,066	6,106	–	10,530
– Zhang Jing (note c)	–	154	659	966	200	1,979
Non-executive directors (note f):						
– Xia Zhuo	217	–	–	–	–	217
– Zhao Yanchao (note c)	217	–	–	–	–	217
Independent non-executive directors (note g):						
– Wang Ping	289	–	–	–	145	434
– Wang Anjian	253	–	–	–	126	379
– Zhao Bingwen (note c)	217	–	–	–	108	325
	1,193	736	7,684	7,072	1,379	18,064

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

	For the year ended 31 December 2024					
	Directors' fees	Retirement benefit scheme contributions	Salaries, allowances and benefits in kind	Equity settled share-based expense	Bonus	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors (note e):						
– Yang Jiye (note a)	–	247	1,227	–	660	2,134
– Zheng Xuezhi (note b)	–	131	1,012	–	108	1,251
– Dr. Qiu	–	330	2,995	2,504	–	5,829
– Zhang Jing (note c)	–	167	562	–	244	973
Non-executive directors (note f):						
– Kenneth Lee (note d)	88	–	–	–	–	88
– Xia Zhuo	222	–	–	–	–	222
– Zhao Yanchao (note c)	176	–	–	–	–	176
Independent non-executive directors (note g):						
– Wang Ping	292	–	–	–	–	292
– Wang Anjian	252	–	–	–	–	252
– Ma Qingshan (note d)	88	–	–	–	–	88
– Zhao Bingwen (note c)	176	–	–	–	–	176
	1,294	875	5,796	2,504	1,012	11,481

* Bonus for executive directors are determined based on the duties and performances of the relevant individuals and the operating result of the Group. Regarding the bonus for independent non-executive directors, it was determined in recognition of their contributions and extra time incurred in reviewing the major corporate matters in 2025. These payments are not performance-related and do not form part of performance-based remuneration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

Notes:

- (a) Yang Jiye is the CEO of the Group.
- (b) Zheng Xuezhi is the chief operating officer of the Group.
- (c) Zhang Jing, Zhao Yanchao and Zhao Bingwen were appointed on 23 May 2024.
- (d) Kenneth Lee and Ma Qingshan were resigned on 23 May 2024.
- (e) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (f) The non-executive directors' emoluments shown above were for their services as directors of the Group.
- (g) The independent non-executive directors' emoluments shown above were for their services as directors of the Group.
- (h) Dr. Tim Sun was appointed as an independent non-executive director on 25 March 2026.

During both current and prior years, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any remuneration during the both years.

On 27 October 2025, the share option under the Hanking Australia Share Option Scheme granted to Dr. Qiu in previous years was redeemed and cancelled by Hanking Australia. The total consideration for the redemption of Dr. Qiu's Share Options is approximately AUD8.02 million (equivalent to RMB37,198,000). On the same date, Dr. Qiu and Ms. Zhang Jing was granted share options of Hanking Gold Limited. Details of the subsidiary share option scheme are set out in note 39.

Subsequent to the year end date, on 14 January 2026, Mr. Yang Jiye resigned as an executive Director, chairman of the Board, chief executive officer and president of the Company, and Mr. Zheng Xuezhi resigned as an executive Director, chief operating officer and executive vice president of the Company. On the same date, Dr. Qiu, who is currently an executive Director, was appointed as chief executive officer and president of the Company, and Mr. Xia Zhuo, a non-executive Director, was appointed as chairman of the Board. Mr. Tang Wenbin and Mr. Zhang Junfeng were appointed as executive Directors of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

15. FIVE HIGHEST PAID EMPLOYEES

During the year, the five highest paid individuals included 3 directors (2024: 2 directors), details of whose emoluments are set out in note 14. The emoluments of the remaining two (2024: three) highest paid individual of 2025 were as follows:

	Year ended	
	31/12/2025 RMB'000	31/12/2024 RMB'000
Employee		
– Salaries, allowances and benefits in kind	1,673	2,742
– Bonus	1,253	1,729
– Retirement benefits scheme contributions	145	333
– Equity settled share-based expense	1,931	–
	5,002	4,804

The emoluments of the five highest paid individuals were within the following bands:

	2025 No. of Individuals	2024 No. of Individuals
Hong Kong Dollars (“HKD”) 1,500,001 to HKD2,000,000	1	3
HKD2,000,001 to HKD2,500,000	1	1
HKD2,500,001 to HKD3,000,000	1	–
HKD3,500,001 to HKD4,000,000	1	–
HKD6,000,001 to HKD6,500,000	–	1
HKD11,500,001 to HKD12,000,000	1	–
	5	5

During current year, no remuneration was paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

16. DIVIDENDS

	Year ended	
	31/12/2025 RMB'000	31/12/2024 RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 Final - HKD0.02 (2023: HKD0.02) per share (note)	35,131	34,986
2025 Interim - nil (2024: HKD0.02) per share (note)	–	35,220
	35,131	70,206

Note:

During the current year, a dividend of HKD0.02 per share amounting to HKD39,200,000 (equivalent to RMB35,851,000) in aggregate in respect of the year ended 31 December 2024 was declared, among which HKD38,409,000 (equivalent to RMB35,131,000) (net of the dividend of HKD791,000 (equivalent to RMB720,000) attributable to the restricted shares held for the restricted share award scheme) was paid to the owners of the Company whose names appear in the Register of Members on 6 June 2025. In 2024, a dividend of HKD0.02 per share amounting to HKD39,200,000 (equivalent to RMB35,706,000) in aggregate in respect of the year ended 31 December 2023 was declared, among which HKD38,409,000 (equivalent to RMB34,986,000) (net of the dividend of HKD791,000 (equivalent to RMB720,000) attributable to the restricted shares held for the restricted share award scheme) was paid.

No dividend were proposed during the interim period in 2025. In 2024, an interim dividend of HKD0.02 per share amounting to HKD39,200,000 (equivalent to RMB35,945,000) in aggregate was declared, among which HKD38,409,000 (equivalent to RMB35,220,000) (net of the dividend of HKD791,000 (equivalent to RMB725,000) attributable to the restricted shares held for the restricted share award scheme) was paid to the owners of the Company whose names appear in the Register of Members on 9 October 2024.

No dividend has been proposed since the end of the year ended 31 December 2025(2024: HKD39,200,000 (equivalent to RMB36,301,000)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

17. EARNINGS PER SHARE

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

	Year ended	
	31/12/2025 RMB'000	31/12/2024 RMB'000
Profit for the year attributable to owners of the Company, for the purposes of basic and diluted earnings per share	172,149	180,941

	Number of shares	
	31/12/2025	31/12/2024
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	1,939,571,000	1,920,461,000

There was no ordinary shares repurchased during the current year.

The weighted average number of ordinary shares for the year ended 31 December 2025 for the purpose of basic and diluted earnings per share has been adjusted for the weighted average effect of 75,000,000 ordinary shares issued on 29 September 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

18. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Mining structures	Plant and machinery	Other equipment	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST							
At 1 January 2024	874,546	180,936	891,745	28,855	113,349	98,878	2,188,309
Additions	302	–	22,674	1,691	1,920	17,636	44,223
Transfer	67,069	–	9,036	91	–	(76,196)	–
Reclassified as held for sale	–	–	–	–	–	(13,791)	(13,791)
Disposals/write off	(16,032)	(28)	(14,421)	(1,811)	(23,012)	(1,200)	(56,504)
Exchange adjustments	–	–	(55)	–	(40)	(1,022)	(1,117)
At 31 December 2024	925,885	180,908	908,979	28,826	92,217	24,305	2,161,120
Additions	2,355	–	55,393	655	1,040	60,448	119,891
Transfer	1,180	–	34,301	–	–	(35,481)	–
Reclassification upon cessation of classification as assets held for sale (note 13)	–	–	–	–	–	14,349	14,349
Disposals/write off	(9,299)	–	(31,155)	(599)	(2,066)	–	(43,119)
Exchange adjustments	–	–	34	–	21	–	55
At 31 December 2025	920,121	180,908	967,552	28,882	91,212	63,621	2,252,296
DEPRECIATION AND IMPAIRMENT							
At 1 January 2024	503,283	152,832	649,161	24,168	105,912	16,710	1,452,066
Provided for the year	52,665	2,070	43,098	1,631	5,487	–	104,951
Transfer	1,401	–	–	–	–	(1,401)	–
Eliminated on disposals/write off	(12,952)	(13)	(13,244)	(1,782)	(21,912)	–	(49,903)
Exchange adjustments	–	–	(55)	–	(24)	–	(79)
At 31 December 2024	544,397	154,889	678,960	24,017	89,463	15,309	1,507,035
Provided for the year	40,720	2,573	71,455	1,234	2,297	311	118,590
Eliminated on disposals/write off	(8,246)	–	(21,948)	(524)	(1,919)	–	(32,637)
Exchange adjustments	–	–	30	–	15	–	45
At 31 December 2025	576,871	157,462	728,497	24,727	89,856	15,620	1,593,033
CARRYING VALUES							
At 31 December 2025	343,250	23,446	239,055	4,155	1,356	48,001	659,263
At 31 December 2024	381,488	26,019	230,019	4,809	2,754	8,996	654,085

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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18. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

The above items of property, plant and equipment, except for mining structures and construction in progress, after taking into account their estimated residual value, are depreciated on a straight-line basis within the following period:

Buildings	8 to 20 years
Plant and machinery	3 to 10 years
Other equipment	3 to 5 years
Motor vehicles	3 to 12 years

The mining structures are infrastructures which include mainly the main and auxiliary mine shafts, underground tunnels and other mining costs capitalised for the future economic benefits of the operation. Depreciation is provided to write off the cost of the mining structures on straight-line basis over the estimated use lives ranging from 5 to 20 years of the respective mines.

Impairment loss of RMB311,000 has been recognised during the year ended 31 December 2025 (2024: nil), in respect of the cessation of construction of a project in progress.

Certain property, plant and equipment of the Group had been pledged as securities for bank borrowings as at 31 December 2025 and 2024 with detail disclosures summarised in note 43.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**The Group as lessor**

The Group leased out a commercial property under an operating lease. The lease runs for an initial period of 5 years (2024: 5 years). The lease does not include variable lease payments. The disaggregation of the commercial property under the operating lease included within buildings and the reconciliation of the carrying amount at the beginning and end of the period are set out as below:

	RMB'000
Cost	
At 1 January and 31 December 2025	12,430
DEPRECIATION	
At 1 January 2024	887
Provided for the year	426
At 31 December 2024	1,313
Provided for the year	426
At 31 December 2025	1,739
CARRYING VALUE	
At 31 December 2025	10,691
At 31 December 2024	11,117

19. GOODWILL

	Acquisition of Emerald Planet Group RMB'000
Cost and carrying values	
At 1 January and 31 December 2025	209,132

Particulars regarding impairment testing on goodwill are disclosed in note 24.

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for the year ended 31 December 2025

20. INTANGIBLE ASSETS

	Software RMB'000	Mining rights RMB'000	Exploration and evaluation assets RMB'000	Technical know-how RMB'000	Total RMB'000
COST					
At 1 January 2024	15,920	442,368	489,512	10,904	958,704
Additions	78	1,523	55,221	453	57,275
Acquired on acquisition of a subsidiary (note 12 (i))	–	–	21,118	–	21,118
Reclassified as held for sale	–	–	(313,643)	–	(313,643)
Exchange adjustments	–	–	(29,808)	–	(29,808)
At 31 December 2024	15,998	443,891	222,400	11,357	693,646
Additions	38	5,121	107,867	–	113,026
Reclassification upon cessation of classification as assets held for sale (note 13)	–	–	326,323	–	326,323
Transfer	–	88,802	(88,802)	–	–
Cost recovery (note)	–	–	(20,219)	–	(20,219)
Exchange adjustments	–	–	5,377	–	5,377
At 31 December 2025	16,036	537,814	552,946	11,357	1,118,153
AMORTISATION AND IMPAIRMENT					
At 1 January 2024	12,539	370,088	1,280	10,232	394,139
Charge for the year	1,917	17,189	–	825	19,931
Exchange adjustments	–	–	(79)	–	(79)
At 31 December 2024	14,456	387,277	1,201	11,057	413,991
Charge for the year	532	19,198	–	–	19,730
Exchange adjustments	–	–	43	–	43
At 31 December 2025	14,988	406,475	1,244	11,057	433,764
CARRYING VALUES					
At 31 December 2025	1,048	131,339	551,702	300	684,389
At 31 December 2024	1,542	56,614	221,199	300	279,655

Note:

The amount represented reimbursement received from Huineng Gold for exploration and evaluation expenditure incurred by the Group in connection with Huineng Gold's due diligence process, as agreed in the Share Sale Agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

20. INTANGIBLE ASSETS (CONTINUED)

The above intangible assets have definite useful lives. Software is amortised on a straight-line basis over five years. Mining rights are amortised over the shorter of the unexpired period of the rights on the straight-line basis based on actual mining production or the estimated useful lives of the mines in accordance with the production plans of the entities concerned and/or the proved and probable reserves of the mines using the units of production method. Exploration and evaluation assets will be transferred to mining rights once the mining rights certificates are obtained. Technical know-how is amortised on a straight-line basis over a period of five years.

No impairment loss has been recognised during both the years ended 31 December 2025 and 2024.

Certain intangible assets of the Group had been pledged as securities for bank borrowings as at 31 December 2025 and 2024, as summarised in note 43.

21. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Offices and premises RMB'000	Total RMB'000
As at 31 December 2025			
Carrying amount	181,589	10,906	192,495
As at 31 December 2024			
Carrying amount	192,001	2,558	194,559
For the year ended 31 December 2025			
Depreciation charge	13,839	2,991	16,830
For the year ended 31 December 2024			
Depreciation charge	11,713	3,108	14,821

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for the year ended 31 December 2025

21. RIGHT-OF-USE ASSETS (CONTINUED)

	Year ended	
	31/12/2025 RMB'000	31/12/2024 RMB'000
Expense relating to short-term leases	670	1,615
Total cash outflow for leases	6,991	14,261
Additions to right-of-use assets	14,702	17,177

For the year ended 31 December 2025, the Group leased certain leasehold lands, offices and premises, machinery and equipment (2024: leasehold lands, offices and premises, machinery and equipment) for its operations. Lease contracts of leasehold lands, offices and premises, machinery and equipment are entered into for a fixed term of 6 months to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The leasehold land is amortised over the benefit periods from 5 to 50 years. Included in the carrying amount of leasehold land, an amount of RMB 90,138,000 (2024: RMB95,922,000) represented the pre-paid rental to various farmers for mining purpose and no land certificates for these pre-paid rental have been obtained. The offices, premises and factory buildings were amortised over the lease terms.

Certain right-of-use assets of the Group had been pledged as securities for bank borrowings as at 31 December 2025 and 2024 summarised in note 43.

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

Restrictions or covenants on leases

In addition, lease liabilities of RMB 10,707,000 recognised with related right-of-use assets of RMB 10,906,000 as at 31 December 2025 (2024: lease liabilities of RMB2,196,000 are recognised with related right-of-use assets of RMB2,558,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

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22. INTERESTS IN ASSOCIATES

			31/12/2025 RMB'000	31/12/2024 RMB'000	
Cost of investment			47,384	46,384	
Share of post-acquisition losses and other comprehensive expense			(12,559)	(13,069)	
Impairment			(25,227)	(25,227)	
			9,598	8,088	

Name of associates	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest and voting rights held by the Group		Principal activities
			2025	2024	
			%	%	
Tibet Oudi Electronic Technology Co., Ltd* (西藏歐帝電子科技有限公司) ("Tibet Oudi") (note a)	PRC	PRC	10.50	10.22	Production and sales of LCD products
MCW Limited* (株式會社MCW) (note b)	Japan	Japan	15.00	15.00	Nursing school
Nanjing Yiou Software Co., Ltd* (南京驛歐軟件有限公司) ("Nanjing Yiou") (note c)	PRC	PRC	20.00	–	Production and sales of LCD products

* English name is for identification purpose only.

Notes:

- (a) The investment in Tibet Oudi was made by Shanghai Tuoao Industry Limited*(上海拓澳實業有限公司) ("Shanghai Tuoao"), a wholly owned subsidiary of the Group. Shanghai Tuoao entitled the right to appoint one director out of five in the board of directors of Tibet Oudi, as such, the Directors considered the Group is able to exercise significant influence over Tibet Oudi and accounted for as investment in an associate.
- (b) The investment was made directly by the Company. The Company entitled the right to appoint two directors out of five in the board of directors, as such, the Directors considered the Group is able to exercise significant influence over MCW and accounted for as investment in an associate.
- (c) The investment in Nanjing Yiou was made by Shanghai Tuoao during 2025. Shanghai Tuoao entitled the right to appoint one director out of five in the board of directors of Nanjing Yiou, as such, the Directors considered the Group is able to exercise significant influence over Nanjing Yiou and accounted for as investment in an associate.

Financial information in respect of the material associate is set out below. The financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

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22. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information of material associate

Tibet Oudi is accounted for using the equity method in these consolidated financial statements.

	31/12/2025 RMB'000	31/12/2024 RMB'000
Current assets	43,301	86,232
Non-current assets	117,171	121,773
Current liabilities	(234,163)	(154,294)
Non-current liabilities	(1,273)	(49,900)

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Revenue	86,681	154,849
Loss for the year	(55,976)	(46,609)

* English name is for identification purpose only.

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	31/12/2025 RMB'000	31/12/2024 RMB'000
Net (liabilities) assets of Tibet Oudi	(74,964)	3,811
Proportion of the Group's ownership interests in Tibet Oudi	10.50%	10.22%
The Group's share of net (liabilities) assets of Tibet Oudi	—*	389
Goodwill	25,227	25,227
Impairment (note)	(25,227)	(25,227)
Carrying amount of the Group's interest in Tibet Oudi	—	389

* The unrecognised share of loss of Tibet Oudi for the year of RMB7,871,000 was not presented because the Group's share of losses of an associate is limited to its investment cost.

Note: Owing to the ongoing financial losses of Tibet Oudi, the management of the Group closely monitor its financial performance and its financial impact to the Group. As a result of the impairment assessment conducted, the management determined to fully impair the Group's interest in Tibet Oudi.

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23. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

Details of the impairment assessment of the CGUs in Iron Ore Business and High-Purity Iron Business are further elaborated below:

Iron Ore Business***Aoniu Mine***

Aoniu Mine is located in the township of Hou'an, Fushun County, Fushun City, and is operated by the Company through its subsidiary Aoniu Mining. Aoniu Mine owns mining licenses and has infrastructures including paved roads, electricity and water supplies. As the production of Aoniu Mine is not yet resumed, which is beyond the initial plan, the management of the Group considered there existed an indication for impairment and conducted an impairment assessment for the CGU. The recoverable amount of Aoniu Mine has been determined based on a value in use calculation. The calculation uses cash flow projections based on financial budgets approved by management covering 9 years (2024: 9 years), which is determined by projected years of production, and discount rate of 18.8% (2024: 18.2%). Other key assumptions for the value in use calculations related to the estimation of cash flows which include budgeted revenue and gross margin, such estimation is based on Aoniu's production capacity in processing the iron ore and management's expectations for the market demand. Following the impairment assessment conducted by the management for the year ended 31 December 2025, the management concluded that no further impairment loss is required to recognise (2024: nil). At the end of the reporting period, the carrying amount of long-lived assets of Aoniu Mine was RMB35,000,000 (net of accumulated impairment losses recognised for property, plant and equipment and right-of-use assets of RMB62,604,000).

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23. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS (CONTINUED)

Iron Ore Business (CONTINUED)

Shangma Mine

Shangma Mine is located at the center of the iron ore belt in Fushun City, adjacent to Aoni Mine, which is currently under infrastructure construction and exploration. Production is currently withheld for re-evaluation of mining reserve and planned to be in place in 2029. The production and development plans are still ongoing and updated regularly based on the latest exploration results. As a result of the assessment, the management concluded that no further impairment loss is required to recognise during the year ended 31 December 2025 (2024: nil).

In 2025, the Shangma Mine received a renewed mining licence, expanding the mining area from about 6.7 to 11 square kilometres. The renewed mining licence also incorporated the iron ore resources previously identified under the Company's exploration licence.

Given that Shangma Mine is presently on hold for reassessment and development of a revised production, the management of the Group considers this serves as an indicator for impairment taking into consideration of the future economic viability and profitability generated by Shangma Mine to cover the carrying amount of the long-lived assets in its current conditions. The recoverable amount of Shangma Mine has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering 14 years (2024: 15 years), which is based on projected years of production and the terms of mining right granted, whichever is the shorter, and discount rate of 18.3% (2024: 18.5%). Other key assumptions for the value in use calculations related to the estimation of cash flows include budgeted revenue and gross margin, such estimation is based on Shangma Mine's reserve estimates, estimated production capacity and management's expectations for the market demand. Following the impairment assessment conducted by the management for the year ended 31 December 2025, no impairment loss is required to be recognised for the CGU. At the end of the reporting period, the carrying amount of long-lived assets of Shangma Mine is RMB297,483,000 (net of accumulated impairment losses recognised for property, plant and equipment amounted to RMB43,578,000).

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for the year ended 31 December 2025

23. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS (CONTINUED)**High-purity Iron Business**

Due to the decrease in sales price resulting in operating loss for the current year, the management of the Group concluded there was indication for impairment and has conducted an impairment assessment. For the purpose of impairment testing, tangible and intangible assets with definite useful lives set out in notes 18, 20 and 21 in relation to High-purity Iron Business have been allocated to two individual CGUs, Lagu factory and Yuqilin factory.

The recoverable amount of Lagu factory and Yuqilin factory has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period (2024: 5-year period), and discount rate of 15.4% and 17.1% (2024: 15.5% and 17.4%) for Lagu factory and Yuqilin factory, respectively. Lagu factory and Yuqilin factory 's cash flows beyond the 5-year period are extrapolated using a steady 1.5% (2024: 1.5%) growth rate. Other key assumptions for the value in use calculations related to the estimation of cash flows which include budgeted revenue and gross margin; such estimation is based on the unit's past performance and management's expectations for the market development. The management of the Group considered no impairment loss is required to recognise for tangible and intangible assets of High-purity Iron Business. At the end of the reporting period, the carrying amount of long-lived assets of Lagu factory and Yuqilin factory amounted to RMB214,663,000 and RMB99,506,000, respectively.

24. IMPAIRMENT OF GOODWILL

For the purpose of impairment testing, goodwill (note 19) arising from the acquisition of Emerald Planet Group during the year ended 31 December 2020 have been allocated to a single individual CGU which is Yuqilin factory.

The recoverable amount of this CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period (2024: 5-year period), and discount rate of 17.1% (2024: 17.4%). Emerald Planet Group's cash flows beyond the 5-year period are extrapolated using a steady 1.5% (2024: 1.5%) growth rate. Other key assumptions for the value in use calculations related to the estimation of cash flows which include budgeted revenue and gross margin; such estimation is based on the unit's past performance and management's expectations for the market development. The management of the Group considered no impairment loss is required to recognise for goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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25. DEFERRED TAX

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

	31/12/2025 RMB'000	31/12/2024 RMB'000
Deferred tax assets	82,662	212,949
Deferred tax liabilities	–	(111,864)
	82,662	101,085
Less:		
transfer to liabilities associated with assets classified as held for sale (note 13)	–	59,304
	82,662	160,389

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Accelerated accounting/ tax depreciation RMB'000	Exploration and evaluation assets RMB'000	ECL provision/ doubtful debts RMB'000	Fair value adjustment on assets RMB'000	Tax losses RMB'000	Impairment RMB'000	Write off inventory RMB'000	Right -of-use assets RMB'000	Lease liabilities RMB'000	Rehabilitation provisions RMB'000	Property, plant and equipment RMB'000	Deferred tax adjustment on investment in Disposal Group RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	(8,865)	(59,927)	11,303	(1,179)	134,041	15,573	879	(1,486)	1,410	10,915	(5,020)	–	98	97,742
Credit (charge) to profit or loss	(4,453)	(14,548)	(499)	(2,306)	65,846	–	–	806	(815)	829	(39)	(43,085)	1,257	2,993
Reclassified as held for sale	–	63,563	–	–	–	–	–	–	–	(4,214)	–	–	(45)	59,304
Exchange adjustments	–	4,783	–	–	(5,582)	–	–	17	(21)	(319)	–	1,572	(100)	350
At 31 December 2024	(13,318)	(6,129)	10,804	(3,485)	194,305	15,573	879	(663)	574	7,211	(5,059)	(41,513)	1,210	160,389
Credit (charge) to profit or loss	3,857	(17,335)	143	(2,462)	(46,557)	33	–	(1,740)	1,810	(11,232)	11,748	42,352	1,148	(18,235)
Reclassification upon cessation of held for sale classification	–	(66,132)	–	–	–	–	–	–	–	4,384	–	–	46	(61,702)
Exchange adjustments	–	(610)	–	–	3,560	–	–	(19)	20	–	–	(839)	98	2,210
At 31 December 2025	(9,461)	(90,206)	10,947	(5,947)	151,308	15,606	879	(2,422)	2,404	363	6,689	–	2,502	82,662

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

25. DEFERRED TAX (CONTINUED)

At the end of the reporting period, the Group has unused tax losses of approximately RMB960 million (2024: RMB905 million) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately RMB549 million (2024: RMB703 million) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately RMB411 million (2024: RMB202 million) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB334 million (2024: RMB202 million) with expiry dates as disclosed in the following table. Other losses may be carried forward indefinitely.

	31/12/2025 RMB'000	31/12/2024 RMB'000
2025	–	23,895
2026	42,575	42,575
2027	84,224	39,388
2028	69,672	39,008
2029	84,537	57,621
2030	52,652	–
	333,660	202,487

Other than unused tax losses, at the end of the reporting period, the Group has other deductible temporary differences of RMB267,170,000 (2024: RMB244,280,000) related to ECL provision/doubtful debts, property, plant and equipment and impairment from loss-making companies. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the Law of the PRC on EIT, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary difference attributable to accumulated profit of the PRC subsidiaries amounting to RMB3,373 million (2024: RMB2,965 million) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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26. RESTRICTED DEPOSITS

	31/12/2025 RMB'000	31/12/2024 RMB'000
Restricted deposits placed in banks in respect of:		
Iron Ore Business	24,292	23,494
Gold Business	15,208	12,851
	39,500	36,345
Less:		
restricted deposits of the Disposal Group eliminated upon transfer to assets classified as held for sale (note 13)	–	(12,284)
	39,500	24,061

Note: The balances represented deposits placed in banks in respect of rehabilitation deposits for iron and gold mining operations. These deposits were not expected to release within the next twelve months, accordingly, they were classified as non-current assets.

These restricted deposits bear interests ranging from 0.05 % to 1.15% (2024: 0.35% to 2.75%).

27. INVENTORIES

	31/12/2025 RMB'000	31/12/2024 RMB'000
Finished goods	86,766	92,442
Work in progress	27,057	34,808
Auxiliary materials	123,344	134,064
	237,167	261,314

As at 31 December 2025, the allowance for inventories amounted to RMB4,202,000 (2024: RMB4,202,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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28. TRADE AND OTHER RECEIVABLES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade receivables		
– Related parties (note 47)	3,814	2,675
– Third parties	259,664	171,942
Less: Allowance for credit loss	(23,671)	(18,318)
	239,807	156,299
Other receivables		
– Advances to suppliers	40,483	21,040
– Interest receivable	4,307	1,800
– Deposits	3,115	2,811
– Deposit for resource tax	11,635	11,756
– Other tax recoverable	3,940	3,313
– Value-added tax recoverable	18,537	19,093
– Staff advance	1,617	1,497
– Prepaid expense	6,794	4,633
– Others	15,238	14,351
	105,666	80,294
Less: Allowance for credit loss	(14,040)	(13,962)
Total other receivables	91,626	66,332
Total trade and other receivables	331,433	222,631
Less:		
transfer to assets classified as held for sale (note 13)	–	(162)
	331,433	222,469

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28. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes:

The Group allows an average credit period of 7 days (2024: 7 days) to its customers of iron ore concentrates, 60 days (2024: 60 days) to its customers of high-purity iron, 30 days (2024: 30 days) to its customers of building materials and 30 days to its customer of processing of iron ore. However, upon maturity of the credit period and under certain circumstances, the Group would further negotiate with its customers and may consider to extend the repayment date, based on its customer's history of payments and credit quality, on a case-by-case basis.

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB112,437,000 (2024: RMB36,726,000) which are past due as at the reporting date. Based on the historical settlement pattern, industry practice and the Group's historical actual loss experience, the management of the Group considered that the risk of default would become high when those debtors had been past due over 1 year.

The following is an aged analysis of trade receivables, net of allowance for credit loss, presented based on the invoice date.

	31 December 2025 RMB'000	31 December 2024 RMB'000
– Within 7 days	63,165	72,975
– 8 days to 30 days	29,479	2,266
– 31 days to 60 days	33,383	45,308
– 61 days to 90 days	23,049	14,545
– 91 days to 1 year	90,198	21,205
– 1 year to 2 years	533	–
	239,807	156,299

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28. TRADE AND OTHER RECEIVABLES (CONTINUED)

Movement of impairment on trade receivables:

	Lifetime ECL not credit-impaired RMB'000	Lifetime ECL credit-impaired RMB'000	Total RMB'000
As at 1 January 2024	2,394	17,318	19,712
– Impairment losses recognised	2,723	1,086	3,809
– Impairment losses reversed	(1,564)	(3,376)	(4,940)
– Write-off	–	(263)	(263)
– Transfer to credit-impaired	(1)	1	–
As at 31 December 2024	3,552	14,766	18,318
– Impairment losses recognised	3,614	4,689	8,303
– Impairment losses reversed	(1,256)	(1,694)	(2,950)
As at 31 December 2025	5,910	17,761	23,671

Movement of allowance for other receivables:

	12m ECL RMB'000	Lifetime ECL not credit-impaired RMB'000	Lifetime ECL credit-impaired RMB'000	Total RMB'000
As at 1 January 2024	2,611	4,560	10,728	17,899
– Impairment losses recognised	17	22	322	361
– Impairment losses reversed	(83)	(3,911)	–	(3,994)
– Write-off	–	–	(304)	(304)
As at 31 December 2024	2,545	671	10,746	13,962
– Impairment losses recognised	–	–	78	78
As at 31 December 2025	2,545	671	10,824	14,040

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29. RECEIVABLES AT FVTOCI

	31 December 2025 RMB'000	31 December 2024 RMB'000
Receivables at FVTOCI comprise:		
Bills receivables	279,127	286,076

The Group's receivables at FVTOCI were bills receivables with the following maturity.

	31 December 2025 RMB'000	31 December 2024 RMB'000
– Within 6 months	279,127	286,076

Movement of allowance for Receivables at FVTOCI:

	12m ECL RMB'000	Total RMB'000
As at 1 January 2025	5,646	5,646
– Impairment losses recognised	3,595	3,595
– Impairment losses reversed	(5,646)	(5,646)
As at 31 December 2025	3,595	3,595

29A. TRANSFERS OF FINANCIAL ASSETS

29A.1 Transferred financial assets that are not derecognised in their entirety

The Group had financial assets transferred to banks, suppliers or non-bank financial institutions by discounting/endorsing or factoring on a full recourse basis in both the current and prior reporting periods. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount of the receivables and has recognised the cash received as (i) other borrowings or bank borrowings from factoring of the trade receivables or discounting of the bills and (ii) as trade payables from endorsement of the bills with full recourse. The trade receivables are carried at amortised cost and the bills receivables are carried at fair value in the consolidated statement of financial position.

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29A. TRANSFERS OF FINANCIAL ASSETS (CONTINUED)

29A.1 Transferred financial assets that are not derecognised in their entirety (continued)

As at 31 December 2025

	Factoring of trade receivables to non-bank financial institutions with full recourse RMB'000	Bills discounted to banks that are not derecognised in their entirety RMB'000	Bills endorsed to suppliers that are not derecognised in their entirety RMB'000	Total RMB'000
Carrying amount of transferred assets	122,990	110,468	68,191	301,649
Carrying amount of associated liabilities	(122,990)	(110,468)	(68,191)	(301,649)
Net position	-	-	-	-

As at 31 December 2024

	Factoring of trade receivables to non-bank financial institutions with full recourse RMB'000	Bills discounted to banks that are not derecognised in their entirety RMB'000	Bills endorsed to suppliers that are not derecognised in their entirety RMB'000	Total RMB'000
Carrying amount of transferred assets	49,600	87,580	161,762	298,942
Carrying amount of associated liabilities	(49,600)	(87,580)	(161,762)	(298,942)
Net position	-	-	-	-

29A.2 Transferred financial assets that are derecognised in their entirety but have continuing involvement

As of 31 December 2025 the Group had derecognised bills discounted to banks or endorsed to certain suppliers, but not expired on a full recourse basis amounting to RMB178,659,000 (2024:RMB249,342,000). These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered that the substantial risks in relation to these bills were limited to the interest risk, as the credit risk arising from these bills were minimal. In this connection, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills were accepted at maturity, the banks or suppliers have the right to require the Group pay off the outstanding balance. Therefore, the Group continued to have involvement in these financial assets.

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for the year ended 31 December 2025

30. FINANCIAL ASSETS AT FVTPL

	31 December 2025 RMB'000	31 December 2024 RMB'000
Financial assets at FVTPL:		
Listed investments at fair value (note)	252	147
	252	147
Analysed for reporting purposes as:		
Non-current assets	252	147
	252	147

Note:

As at 31 December 2025, the listed equity investments represent the Group's equity interests in an entity (2024: an entity) listed on the Australian Securities Exchange. The investments are measured at fair value at the end of the reporting period.

31. PLEDGED BANK DEPOSITS, CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Pledged bank deposits		
Non-current assets	–	71,994
Current assets	449,838	454,162
	449,838	526,156
Time deposits		
Current assets	437,620	–
	437,620	–

Cash and cash equivalents of the Group comprise cash and short term bank deposits with an original maturity of three months or less. The bank balances carry variable interest rates ranging from 0.01% - 0.35% (2024: 0.125%-0.35%) per annum.

As at 31 December 2025, pledged bank deposits of RMB449,838,000 (2024: RMB526,156,000) represent security deposit for issuing bills and bank borrowings which had maturity date ranging from 2 months to 3 year (2024: 6 months to 3 year). The pledged bank deposits carried fixed interest rate of 0.05%- 3.5% (2024: 0.25%-3.5%) per annum. The pledged bank deposits will be released upon the settlement of relevant bills and bank borrowings.

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31. PLEDGED BANK DEPOSITS, CASH AND CASH EQUIVALENTS AND TIME DEPOSITS*(CONTINUED)*

As at 31 December 2025, time deposits of RMB437,620,000 (2024: nil) carried fixed interest rate of 1.5%- 2% per annum.

The bank balances which are denominated in the United States Dollars (“**USD**”), HKD and AUD, foreign currency of the respective group entities, are as follows:

	31/12/2025 RMB'000	31/12/2024 RMB'000
USD	75,510	198,734
HKD	12,884	2,326
AUD	54,273	–

Movement of allowance for pledged bank deposits:

	12m ECL RMB'000	Total RMB'000
At 1 January and 31 December 2025	497	497

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

32. TRADE, BILLS AND OTHER PAYABLES

Payment terms with suppliers are mainly on credit within 90 days and 15 days from the time when the goods are received from suppliers of Iron Ore Business and High-purity Iron Business respectively.

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade payables (note a)		
– Within 15 days	53,762	110,825
– 15 days to 90 days	29,377	67,370
– 91 days to 1 year	21,352	10,347
– 1 year to 2 years	4,595	1,356
– 2 years to 3 years	502	191
– Over 3 years	5,312	5,302
	114,900	195,391
Bills payables under note financing arrangements (note b)	458,300	594,578

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32. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

	31 December 2025 RMB'000	31 December 2024 RMB'000
Other payables - current		
Advance receipt of value-added tax from customers	5,369	8,575
Other tax payable	24,399	14,791
Payable for acquisition of property, plant and equipment	32,191	20,808
Outsourced service payable	19,423	14,781
Transportation fee payable	30,150	17,155
Accrued expenses	3,362	2,115
Salary and bonus payables	18,067	15,273
Interest payable	381	756
Dividend payable	–	2,684
Refundable deposits	8,681	5,662
Payable for mining rights	–	10,000
Advance receipt from Huineng Gold relating to the Disposal	–	8,464
Payable for cost arising from the spin-off transaction (note c)	6,246	–
Others	7,118	8,096
	155,387	129,160
Other payables - non-current		
Refundable deposits	2,000	–
Total trade, bills and other payables	730,587	919,129
Less:		
transfer to liabilities associated with assets classified as held for sale (note 13)	–	(4,142)
	730,587	914,987

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for the year ended 31 December 2025

32. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

Notes:

- (a) The aged analysis of trade payables was presented based on the date of acceptance of the goods at the end of the reporting period.
- (b) Certain of the Company's subsidiaries received bills issued by other Group entities in respect of certain intra-group transactions. The receiving entities of the Group had discounted such bills in full to bank or non-bank institutions to obtain financing. During the years ended 31 December 2025, such internally issued bills which had been discounted to banks or non-bank institutions amounted to RMB1,091,000,000 (2024: RMB1,130,111,000), which also represented the aggregate amount of the Group's underlying intragroup transactions settled by bills. The cash flows of such transactions have been presented in cash flow statement as financing activities.
- (c) On 4 July 2025, in order to build an independent capital platform for the gold business and promote the faster development of the Company's Gold Business, and at the same time enhance the value of the shares held by the shareholders, the management announced the proposal to spin-off and separately list the shares of Hanking Gold Limited, on the main board of the Hong Kong Stock Exchange by way of introduction. In support of the proposed listing, listing expenses of RMB14,075,000 were incurred, of which RMB6,246,000 remained unpaid as at 31 December 2025. On 14 January 2026, the Company announced to terminate the spin-off due to strategy change. The amount of listing expenses is included in administrative expenses.

At the end of both reporting periods, the Group's outstanding bills payable were issued by banks with the following maturity.

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 6 months	458,300	594,578

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for the year ended 31 December 2025

33. CONTRACT LIABILITIES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Amounts received in advance on sales of:		
– high-purity iron	40,865	65,359
– iron ore concentrates	–	82
– building materials	312	271
	41,177	65,712

The Group may request certain of its customers to place up to 100% of the contract sum as deposit in respect of sales of high-purity iron and iron ore concentrates, depending on the background, historical experience of and business relationship with the Group.

During the year ended 31 December 2025, the amount of revenue recognised that was included in the contract liabilities balance at the beginning of the year amounted to RMB65,441,000(2024: RMB76,877,000).

34. BORROWINGS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Bank loans	988,816	846,257
Other loans (note i)	122,990	49,600
	1,111,806	895,857
Fixed-rate borrowings	1,111,806	895,857
Secured and guaranteed	662,448	508,228
Secured and unguaranteed	337,358	225,629
Unsecured and guaranteed	110,000	160,000
Unsecured and unguaranteed	2,000	2,000
	1,111,806	895,857
The carrying amounts of the above borrowings are repayable (note ii):		
Within one year	989,306	895,857
More than one year, but not more than two years	64,500	–
More than two years, but not exceeding five years	58,000	–
	1,111,806	895,857

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

34. BORROWINGS (CONTINUED)

Notes:

- i. Other loans were arising from factoring of trade receivables to non-bank financial institutions with full recourse. Details of the disclosures are set out in note 29A.
- ii. The amounts are based on scheduled repayment dates set out in the respective loan agreements.

The ranges of effective interest rate of the Group's interest-bearing borrowings are as follows:

	31 December 2025 %	31 December 2024 %
Fixed-rate borrowings	3.15 - 8.60	3.45 - 8.60

The secured and guaranteed bank borrowings were guaranteed by the Controlling Shareholders and the companies controlled by them. Among the secured and guaranteed bank borrowings, RMB 596,948,000 (31 December 2024: RMB388,000,000) were secured by certain property, plant and equipment, mining rights, right-of-use assets and shares of subsidiaries of the Group, and RMB 65,500,000 (31 December 2024: RMB120,228,000) were secured by certain assets of the companies controlled by the Controlling Shareholders and shares of subsidiaries of the Group.

The secured and unguaranteed bank borrowing of RMB103,900,000 (31 December 2024: RMB87,900,000) are secured by pledged bank deposits and RMB110,468,000 (31 December 2024: RMB88,129,000) are secured by receivables at FVTOCI of the Group.

The secured and unguaranteed other borrowing of RMB122,990,000 (31 December 2024: RMB49,600,000) are secured by trade receivables.

The unsecured and guaranteed bank borrowings of approximately RMB110,000,000 (31 December 2024: RMB160,000,000) at 31 December 2025 were guaranteed by subsidiaries of the Group, the Controlling Shareholders and the companies controlled by them.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

35. PROVISION

	31 December 2025 RMB'000	31 December 2024 RMB'000
Analysed for reporting purposes as:		
Non-current liabilities	91,537	29,096

	Rehabilitation RMB'000
At 1 January 2025	29,096
Additional provision in the year	47,210
Interests on rehabilitation obligation	2,888
Payments on rehabilitation obligation	(2,487)
Reclassification upon cessation of classification as assets held for sale classification	13,071
Exchange adjustments	1,759
At 31 December 2025	91,537

Rehabilitation provision balance represents the provision for environment restoration for Gold Business and Iron Ore Business.

36. LEASE LIABILITIES

	31 December 2025 RMB'000	31 December 2024 RMB'000
Lease liabilities payable:		
Within one year	3,721	2,196
Within a period of more than one year but not more than two years	3,355	–
Within a period of more than two years but not more than five years	3,631	–
	10,707	2,196
Less: Amount due for settlement within 12 months shown under current liabilities	(3,721)	(2,196)
Amount due for settlement after 12 months shown under non-current liabilities	6,986	–

The weighted average incremental borrowing rates applied to lease liabilities range from 4.35% to 7.00% (2024: from 3.00 % to 4.35%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

37. SHARE CAPITAL

Details of movement in share capital of the Company are as follows:

	Number of shares		Share capital	
	2025 '000	2024 '000	2025 HKD'000	2024 HKD'000
Ordinary shares of HKD0.1 each				
Authorised				
At 1 January and 31 December	10,000,000	10,000,000	1,000,000	1,000,000

	Number of shares		Share capital	
	2025 '000	2024 '000	2025 RMB'000	2024 RMB'000
Issued and fully paid				
At 1 January	1,960,000	1,960,000	160,203	160,203
Issue of shares	75,000	–	6,852	–
At 31 December	2,035,000	1,960,000	167,055	160,203

Note:

In order to finance the Group's proposed injection into Hanking Gold Limited, the Company issued 75 million ordinary shares, for consideration of HKD3.13 per share. The ordinary shares were issued on 29 September 2025 to independent investors under the general mandate. The new shares rank pari passu with the existing shares in all respects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY**38.1 General information of subsidiaries**

Details of the Group's subsidiaries as at 31 December 2025 and 2024 are set out below.

Name of subsidiaries	Principal activities	Place of incorporation/ registration and operations	Issued and fully paid up share capital/ registered capital	Proportion of ownership interest and voting power held by the Group		Notes
				31 December 2025	31 December 2024	
<i>Directly held:</i>						
China Hanking Investment Limited	Investment holding	BVI	Ordinary shares USD1	100.00%	100.00%	
Tuochuan (Hong Kong)	Investment holding	Hong Kong	Ordinary shares HKD1	100.00%	100.00%	
Emerald Planet	Investment holding	BVI	Ordinary shares USD1	100.00%	100.00%	
Hanking Gold Limited	Investment holding	Cayman Islands	Authorised share capital USD50,000	90.44%	NA	
<i>Indirectly held:</i>						
Hanking Australia	Investment holding	Australia	Ordinary shares AUD172,000,000	90.44%	94.00%	
China Hanking (Hong Kong) Limited	Investment holding	Hong Kong	Ordinary shares HKD1	100.00%	100.00%	
China Hanking (BVI) International Limited	Investment holding	BVI	Ordinary shares USD1	100.00%	100.00%	
Shenyang Hanking Mineral Resources Group Co., Ltd. (瀋陽罕王礦產資源 集團有限公司) (formerly known as Shenyang Toyo Steel Utility Co., Ltd (瀋陽東洋煉鋼公用設施有限公司)	Sales of iron ore mining products	PRC	Registered and paid-in capital USD84,000,000	100.00%	100.00%	b
Shenyang Yuanzheng Industry Co., Ltd*(瀋陽元正實業有限公司)	Sales of iron ore mining products	PRC	Registered and paid-in capital RMB5,000,000	100.00%	100.00%	a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

38.1 General information of subsidiaries (continued)

Details of the Group's subsidiaries as at 31 December 2025 and 2024 are set out below. (continued)

Name of subsidiaries	Principal activities	Place of incorporation/ registration and operations	Issued and fully paid up share capital/ registered capital	Proportion of ownership interest and voting power held by the Group		Notes
				31 December 2025	31 December 2024	
Aoniu Mining	Sales of iron ore mining products	PRC	Registered and paid-in capital RMB100,000,000	100.00%	100.00%	a
Maogong Mining	Sales of iron ore mining products	PRC	Registered and paid-in capital RMB5,000,000	100.00%	100.00%	a
Shangma Mining	Sales of iron ore mining products	PRC	Registered and paid-in capital RMB60,000,000	100.00%	100.00%	a
Fushun Hanking Forest Farm Co., Ltd.* (撫順罕王林場有限公司)	Sales of agricultural and forestry products	PRC	Registered and paid-in capital RMB500,000	100.00%	100.00%	a
HGM Resources Pty Ltd	Sales of gold mining products	Australia	Ordinary shares AUD100	90.44%	94.00%	
Primary Gold Pty Ltd	Sales of gold mining products	Australia	Ordinary shares AUD27,527,000	90.44%	94.00%	
Primary Minerals Pty Ltd	Sales of gold mining products	Australia	Ordinary shares AUD1,563,000	90.44%	94.00%	
Watkins Gold	Sales of gold mining products	Australia	Ordinary shares AUD10	90.44%	94.00%	

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for the year ended 31 December 2025

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)**38.1 General information of subsidiaries (continued)**

Details of the Group's subsidiaries as at 31 December 2025 and 2024 are set out below. (continued)

Name of subsidiaries	Principal activities	Place of incorporation/ registration and operations	Issued and fully paid up share capital/ registered capital	Proportion of ownership interest and voting power held by the Group		Notes
				31 December 2025	31 December 2024	
Liaoning Hanking Environmental protection and Technology Co., Ltd* (遼寧罕王環保科技有限公司)	Manufacture and sales of green building materials	PRC	Registered and paid-in capital RMB70,000,000	100.00%	100.00%	a
Guangdong Shihetao Green Building Materials Technology. Co., Ltd.* (廣東石和陶綠色建 材科技有限公司)	Manufacture and sales of green building materials	PRC	Registered capital RMB10,000,000	60.00%	60.00%	a
Shanghai Tuobao	Investment holding	PRC	Registered capital RMB188,100,000	100.00%	100.00%	b
Ginseng Iron	Sales of iron ore mining products and high-purity iron	PRC	Registered and paid-in capital RMB56,090,000	100.00%	100.00%	c
Hanking D.R.I.	Manufacture and sales of high-purity iron	PRC	Registered and paid-in capital RMB400,000,000	100.00%	100.00%	a
Zhenghai Investment Limited	Investment holding	BVI	Ordinary shares USD1	100.00%	100.00%	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

38.1 General information of subsidiaries (continued)

Details of the Group's subsidiaries as at 31 December 2025 and 2024 are set out below. (continued)

Name of subsidiaries	Principal activities	Place of incorporation/ registration and operations	Issued and fully paid up share capital/ registered capital	Proportion of ownership interest and voting power held by the Group		Notes
				31 December 2025	31 December 2024	
Chongqing Hanking Xixiwei Building Materials Co., Ltd.* (重慶罕王西西韋建材有限公司)	Manufacture and sales of green building materials	PRC	Registered capital RMB2,000,000	70.00%	70.00%	a
Fushun Deshan Cuigu Culture Tourism development Co., Ltd.* (撫順德山翠穀文化旅遊開發有限公司)	Travel and accommodation service	PRC	Registered capital RMB500,000	100.00%	100.00%	a
Yuqilin Industry Limited	Investment holding	Hong Kong	Ordinary shares HKD1	100.00%	100.00%	
Beijing Yuqilin Technology Co., Ltd.* (北京玉麒麟科技有限公司)	Technical development and technical consultation	PRC	Registered capital USD625,000	100.00%	100.00%	b
Benxi Yuqilin	Manufacture and sales of high-purity iron	PRC	Registered capital RMB100,000,000	100.00%	100.00%	a
Beijing Wanfu Xin 'an	Leasing service	PRC	Registered and paid-in capital RMB500,000	100.00%	100.00%	a
Hainan Hanking Industrial Co., Ltd.* (海南罕王實業有限公司)	Sales of iron ore mining products	PRC	Registered capital RMB10,000,000	100.00%	100.00%	a
Cygnets Gold	Sales of gold mining products	Australia	Paid up capital AUD33,712,000	90.44%	87.80%	
Shanghai Hanking Aoxin Industrial Co., Ltd.* (上海罕王澳鑫實業有限公司)	Investment holding	PRC	Registered capital RMB9,102,300	90.44%	N/A	a

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for the year ended 31 December 2025

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)**38.1 General information of subsidiaries (continued)**

Notes:

- (a) The companies are limited liability companies.
- (b) The companies are wholly owned foreign enterprises.
- (c) The company is a foreign invested enterprise.

The above table lists the subsidiaries of the Company are the Group entities principally affected the results or assets of the Group. In the opinion of the Directors, to give details of other subsidiaries would result in particulars of excessive length.

None of the subsidiaries had issued any debt securities as at the end of the year.

* English name is for identification purpose only.

38.2 Details of non-wholly owned subsidiary that have material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Group that have material non-controlling interests.

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
				RMB'000	RMB'000	RMB'000	RMB'000
Hanking Gold Limited and its subsidiaries	Cayman Islands	9.56%	6%	(3,288)	(4,444)	104,432	11,946
Individually immaterial subsidiaries with non-controlling interests						(4,562)	(5,135)
						99,870	6,811

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(CONTINUED)*

38.2 Details of non-wholly owned subsidiary that have material non-controlling interests *(CONTINUED)*

On 17 January 2025, the Company established Hanking Gold Limited, a wholly owned subsidiary. On 10 February 2025, the Company increased its capital in Hanking Gold Limited by contribution of its equity interests in Hanking Australia. On 16 July 2025, Hanking Gold Limited entered into a share sale agreement with four minority shareholders of Hanking Australia to acquire an aggregate of 6% of the share capital in Hanking Australia for a total consideration of AUD2,520,000. The consideration was settled by the allotment and issuance of 6% of the share capital in Hanking Gold Limited. The four minority shareholders of Hanking Australia are Golden Resource, Tuochuan Capital, Mingde Capital Limited ("Mingde Capital") and QianLong Wealth Limited. These four minority shareholders are related parties of the Company, being ultimately controlled by Dr. Qiu, Mr. Yang Jiye, Mr. Zheng Xuezhi and Ms. Zhang Jing, respectively. Each of Dr. Qiu, Mr. Yang Jiye, Mr. Zheng Xuezhi and Ms. Zhang Jing was an executive Director as at 31 December 2025. Upon completion of the acquisition, the Group's equity interest in Hanking Gold Limited is decreased from 100% to 94%. The reorganisation was in substance a continuation of an existing group before the reorganisation which involved insertion of Hanking Gold Limited between the Company and Hanking Australia which were all entities under common control.

During the year, Hanking Gold Limited had completed two rounds of financing. The first round of financing was completed on 13 October 2025, with a total of 436,550,000 new shares issued at a subscription price of HKD2.62 per share. 339,550,000 shares were issued to the Company and the remaining 97,000,000 shares were issued to the five other subscribers. Following the first round of financing, the Group's equity interest in Hanking Gold Limited decreased from 94% to 91.2%. On 27 October 2025, 8,700,000 shares and 12,200,000 shares were issued at a subscription price of HKD2.62 per share to Dr. Qiu and minority shareholders of Cygnet Gold respectively. After the second round of share financing, the Group's equity interest in Hanking Gold Limited is decreased from 91.2% to 90.44%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)**38.2 Details of non-wholly owned subsidiary that have material non-controlling interests (CONTINUED)**

Summarised financial information of Hanking Gold Limited is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Hanking Gold Limited and its subsidiaries

	31/12/2025 RMB'000	31/12/2024 RMB'000
Current assets	510,711	368,308
Non-current assets	546,029	200,537
Current liabilities	(21,984)	(416,796)
Non-current liabilities	(17,106)	(52,648)
Equity attributable to owners of the Company	913,218	87,455
Non-controlling interests of Hanking Gold Limited	104,432	11,946

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Revenue	–	–
Expenses	(38,465)	(20,914)
Loss and total comprehensive expense for the year	(38,465)	(20,914)
Loss and total comprehensive expense attributable to owners of the Company	(35,177)	(16,470)
Loss and total comprehensive expense attributable to the non-controlling interests of Hanking Gold Limited	(3,288)	(4,444)
Total comprehensive expense for the year	(38,465)	(20,914)
Dividends paid to non-controlling interests of Hanking Gold Limited	–	–
Net cash outflow from operating activities	(118,971)	(4,213)
Net cash outflow from investing activities	(631,088)	(117,376)
Net cash inflow from financing activities	739,683	117,223
Net cash outflow	(10,376)	(4,366)

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39. SHARE-BASED PAYMENTS

(a) HAI share option scheme

The share option scheme of Hanking Australia was adopted on 25 January 2019. The scheme is designed to recognise the contributions of selected key persons (including the employees and directors of Hanking Australia and its related body corporates, and any person who was determined by the board of directors of Hanking Australia to be a key person when issuing or granting the options) to the Company, and provide an incentive for and to motivate them to remain in their employments with the Company.

The scheme mandate limit is 10% of the shares of Hanking Australia in issue on the date the scheme was adopted. The scheme shall be valid and effective for a period of 48 months from the date of adoption. The maximum number of shares of Hanking Australia to be issued upon the exercise of options that may be granted under the scheme is 21,000,000 shares. The scheme has been expired on 25 January 2023.

The table below discloses movement of the Hanking Australia's share options held by the Group's employees:

Options to subscribe for Hanking Australia Shares					
Category and name of grantees	Outstanding at 1 January 2025	Redeemed and cancelled during the year	Outstanding at 31 December 2025	Exercise price per Hanking Australia Share AUD	Date of grant
Director of Hanking Australia					
Dr. Qiu	4,200,000	(4,200,000)	–	0.2	29 August 2022
Employees of Hanking Australia					
	2,950,000	(2,950,000)	–	0.286	27 April 2020
	1,000,000	(1,000,000)	–	0.3	27 April 2020
	1,800,000	(1,800,000)	–	0.39	10 December 2020
	1,300,000	(1,300,000)	–	0.429	6 July 2022
Sub-total	7,050,000	(7,050,000)	–		
Total	11,250,000	(11,250,000)	–		

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39. SHARE-BASED PAYMENTS (CONTINUED)**(a) HAI share option scheme (continued)**

On 27 April 2020, 10 December 2020 and 6 July 2022, Hanking Australia granted 3,950,000, 1,800,000 and 1,300,000 options (the “Options”) to subscribe for 3,950,000, 1,800,000 and 1,300,000 shares in the share capital of Hanking Australia to certain employees of Hanking Australia. The options have vesting period of 4 years and will vest and become exercisable on the occurrence of certain vesting events. The fair value of the options determined at the date of grant, taking into account the terms and conditions upon which the options were granted. On 29 August 2022, Hanking Australia has conditionally granted to Dr. Qiu a total of 4,200,000 Options to subscribe for an aggregate of 4,200,000 shares.

On 18 January 2024, the Company extended the vesting period of all share options for two years. On modification of the share option terms, their fair value at that date was estimated. The modification resulted in an increase in the fair value of the options and an additional expense recognised in the profit or loss for the year ended 31 December 2024. The vesting period was extended to enable all participants in the share option plan the opportunities to exercise their options in the event of a vesting event as defined in the share option plan and ensures that key personnel are retained to deliver on the objectives of the Group.

The following assumptions were used to calculate the fair value of the Options of each on categories 18 January 2024, the modification date:

Number of Options issued	4,200,000	2,950,000	1,000,000	1,800,000	1,300,000
Value at modification date	AUD1,420,000	AUD744,000	AUD238,000	AUD267,000	AUD142,000
Exercise price	AUD0.2	AUD0.286	AUD0.3	AUD0.39	AUD0.429

Market approach has been adopted by the Group’s management to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors’ best estimate. The value of an option varies with different variables of certain subjective assumptions.

On 27 October 2025, the Company repurchased and cancelled all of the 11,250,000 outstanding share options at a redemption price of AUD2.11 per option net of exercise price for each share option held by Dr. Qiu Yumin and other employees of Hanking Australia and its subsidiaries. Total consideration to repurchase the share options is AUD20.49 million (equivalent to RMB94,991,000). Upon cancellation, the remaining unrecognised share-based payment expense relating to unvested options was accelerated and recognised in profit or loss. The amount paid in excess of the carrying amount of the share-based payment reserve was recognised directly in equity.

During the year ended 31 December 2025, the Group recognised a share-based payment expense of AUD527,675 (equivalent to RMB2,539,000) (2024: AUD1,099,000 (equivalent to RMB4,566,000)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

39. SHARE-BASED PAYMENTS *(CONTINUED)*

(b) Pre-listing share option scheme of Hanking Gold Limited

The share option scheme of Hanking Gold Limited was adopted on 4 July 2025. The scheme is designed to grant options to selected participants as incentives or rewards for their contribution to the Group.

Under the Scheme, share options are granted to eligible participants, including any full-time executives, officers, managers or employees of Hanking Gold Limited or any of its subsidiaries, or any entities designated by them and any directors of the relevant entities of Hanking Gold Limited or any of its subsidiaries. Additionally, Hanking Gold Limited may, from time to time, grant options to outside third parties for settlement in respect of services provided to the Group.

The scheme mandate limit is 10% of the shares of Hanking Gold Limited in issue on the date the scheme was adopted. The scheme shall be valid and effective for a period of 10 years from the date of adoption. The maximum number of shares of Hanking Gold Limited to be issued upon the exercise of options that may be granted under the scheme is 208,510,638 shares.

On 31 October 2025, Hanking Gold Limited granted 78,000,000 new share options to its directors and employees. The fair value of these options was determined at AUD0.408 per option based on Hull-White employee stock option Model.

At 31 December 2025, the number of shares in respect of which options had been granted and remained outstanding under the scheme was 78,000,000. During the year ended 31 December 2025, the Group recognised a share-based payment expense of AUD3,130,710 (equivalent to RMB14,826,000).

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39. SHARE-BASED PAYMENTS (CONTINUED)**(b) Pre-listing share option scheme of Hanking Gold Limited (continued)**

The table below discloses movement of the Hanking Gold Limited 's share options held by the Group's employees:

Category and name of grantees	Options to subscribe for Hanking Gold Limited Shares			Exercise price per Hanking Gold Limited Share HKD	Vesting Period	Date of grant
	Outstanding at 1 January 2025	Granted during the year	Outstanding at 31 December 2025			
Director of Hanking Gold Limited						
Dr. Qiu	–	25,000,000	25,000,000	1.00	01/11/2025-1/10/2028	27 October 2025
Ms. Zhang Jing	–	5,000,000	5,000,000	1.00	01/11/2025-1/10/2028	27 October 2025
Sub-total	–	30,000,000	30,000,000			
Employees of Hanking Gold Limited						
Mr. Tang Wenbin	–	10,000,000	10,000,000	1.00	01/11/2025-1/10/2028	27 October 2025
Other employees	–	38,000,000	38,000,000	1.00	01/11/2025-1/10/2028	31 October 2025
Sub-total	–	48,000,000	48,000,000			
Total	–	78,000,000	78,000,000			

On 14 January 2026, the company made an announcement to revise vesting conditions of all share options to adapt to the new mine development plan. The new vesting conditions mainly concentrate on the development and production of both the Mt Bundy gold mine and Cygnet gold mine. Details of which are set out in the announcement of the Company dated 14 January 2026.

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40. RESTRICTED SHARES HELD FOR STRATEGIC INCENTIVE AWARD SCHEME

On 29 August 2019, the Board resolved to adopt a restricted share award scheme (the “**Scheme**”) whereby awards of ordinary shares (the “**Shares**”) of the Company may be made to eligible participants (the “**Selected Participants**”), pursuant to which existing ordinary shares of the Company will be purchased by a trustee from the market out of cash contributed by the Group and be held in trust for the relevant Selected Participants until such Shares are vested with the relevant Selected Participants in accordance with the provisions of the Scheme.

The Scheme shall be effective from 29 August 2019 and shall continue in full force and effect for a term of 10 years or until such date of early termination as determined by the Board, whichever is the earlier, after which period no further award shares shall be granted or accepted, but the provisions of the Scheme shall remain in full force and effect in order to give effect to the vesting of award shares granted and accepted prior to the expiration or termination of the Scheme.

There is no ordinary shares repurchased during the current year.

From May to November 2023, the trustee of the Company’s Scheme purchased on the Stock Exchange a total of 8,476,000 ordinary shares at a total consideration of approximately RMB5,518,000 pursuant to the terms of the trust deed under the Scheme.

As at 31 December 2025 and 2024, no award shares have been granted to any Selected Participants pursuant to the Scheme.

41. RETIREMENT BENEFIT PLANS

The employees of the Group in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The Group is required to contribute a specified percentage of its payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

The Group made contributions to the retirement benefit schemes of RMB 15,622,000 for the year ended 31 December 2025 (2024: RMB13,414,000).

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42. CAPITAL COMMITMENTS

	31/12/2025 RMB'000	31/12/2024 RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment and intangible assets contracted for but not provided in the consolidated financial statements	236,608	41,544

43. PLEDGE OF ASSETS

At the end of the reporting periods, the Group has pledged certain assets as securities for obtaining the bank borrowings and issuing bills. Details of the pledged assets and the corresponding carrying amounts are set out below:

	Carrying amounts	
	31/12/2025 RMB'000	31/12/2024 RMB'000
Pledged bank deposits	449,838	526,156
Right-of-use assets	39,909	41,043
Property, plant and equipment	48,908	52,250
Mining rights	51,651	35,746
Receivables at FVTOCI	115,834	106,588
Trade receivable	122,990	48,494

44. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt, which includes borrowings, amount due to a related party and lease liabilities disclosed in notes 34, 47 and 36, respectively, net of cash and cash equivalents and equity which includes share capital and reserves.

The management of the Group reviews the capital structure on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital and will balance its overall structure through the payment of dividends, issue of capital as well as the issue of new debt or the redemption of existing debt.

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45. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	31/12/2025 RMB'000	31/12/2024 RMB'000
Financial assets		
Financial assets at amortised cost (including cash and cash equivalents)	1,580,953	1,075,691
Receivables at FVTOCI	279,127	286,076
Financial assets at FVTPL	252	147
	1,860,332	1,361,914
Financial liabilities		
Financial liabilities measured at amortised cost	1,799,810	1,778,498

(b) Financial risk management objectives and policies

The Group's major financial assets and liabilities include restricted deposits, trade and other receivables, amount due from a related party, receivables at FVTOCI, pledged bank deposits, cash and cash equivalents, financial assets at FVTPL, investment deposits, trade, bills and other payables, amount due to a related party, borrowings and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Group's activities expose it primarily to the market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. There has been no change to the Group's exposure to these risks or the manner in which it manages and measures the risks. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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45. FINANCIAL INSTRUMENTS (CONTINUED)**(b) Financial risk management objectives and policies (continued)****Market risk****(i) Currency risk**

The Group has bank balances and trade and other payables (2024: bank balances and trade and other payables) denominated in USD, HKD and AUD, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods are as follows:

	USD	
	Assets RMB'000	Liabilities RMB'000
As at 31 December 2025	75,510	2,368
As at 31 December 2024	198,734	–

	HKD	
	Assets RMB'000	Liabilities RMB'000
As at 31 December 2025	10,952	59
As at 31 December 2024	2,326	61

	AUD	
	Assets RMB'000	Liabilities RMB'000
As at 31 December 2025	54,273	1,725
As at 31 December 2024	94	–

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

45. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) *Currency risk* (continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2024: 10%) increase and decrease in RMB against USD, HKD and AUD (2024: USD and HKD), 10% (2024: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 10% (2024: 10%) change in foreign currency rate. A positive number below indicates an increase in post-tax profit (2024: an increase in post-tax profit) where USD, HKD and AUD (2024: USD and HKD) strengthen 10% (2024: 10%) against RMB. For a 10% (2024: 10%) weakening of USD, HKD and AUD (2024: USD and HKD) against RMB, there would be an equal and opposite impact on the post-tax profit (2024: post-tax profit) and the balances below would be negative. For the year ended 31 December 2023, the impact of USD is not presented, since the outstanding monetary items denominated in USD are not significant and their impact is immaterial.

	USD, HKD and AUD impact 2025 RMB'000	USD and HKD impact 2024 RMB'000
Profit or loss	13,658	20,100

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

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45. FINANCIAL INSTRUMENTS (CONTINUED)**(b) Financial risk management objectives and policies (continued)****Market risk (continued)****(ii) Interest rate risk**

The Group is exposed to fair value interest rate risk mainly from its pledged bank deposits, lease liabilities, fixed-rate borrowings and amount due from an independent third party. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Total interest income from financial assets that are measured at amortised cost is as follows:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Other income:		
Financial assets at amortised cost	12,640	10,221

Interest expense on financial liabilities not measured at FVTPL:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Financial liabilities at amortised cost	66,414	65,899

(iii) Other price risk

The Group is exposed to other price risk in respect of its investments in listed equity securities measured at FVTPL (2024: listed equity securities measured at FVTPL).

The fair value adjustment in listed equity securities and unlisted managed investment funds will be affected either positively or negatively, amongst others, by the changes in the expected yield of the investments. No sensitivity analysis of other price risk in respect of listed equity securities and unlisted managed investment fund has been prepared as the management estimates the actual yield would not significantly deviate from the expected yield.

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45. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk

Credit risk and impairment assessment

As at 31 December 2025 and 2024, the Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations in relation to each class of recognised financial assets measured at amortised cost and FVTOCI is the carrying amounts of those assets stated in the consolidated statement of financial position.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group's credit risk is primarily attributable to its trade and other receivables, receivables at FVTOCI, pledged bank deposits, restricted deposits, investment deposits, cash and cash equivalents. In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

45. FINANCIAL INSTRUMENTS (CONTINUED)**(b) Financial risk management objectives and policies (continued)*****Credit risk (continued)****Trade receivables*

In order to minimise the credit risk, the Directors have delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

As at 31 December 2025 included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB112,437,000(2024: RMB36,726,000) which are past due as at the reporting date. Based on the historical settlement pattern, industry practice and the Group's historical actual loss experience, the management of the Group considered that the risk of default became high and defaulted when those debtors had been past due over one year.

During the year ended 31 December 2025, the Group recognised impairment loss of RMB5,353,000 (2024: reversed impairment loss of RMB1,131,000) for trade receivables, based on the individual analysis.

Other receivables and receivables at FVTOCI

For other receivables and receivables at FVTOCI, the Group has applied the general approach in IFRS 9 to measure the loss allowance approximate to such at 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The ECL on these items are assessed individually, estimated based on historical credit loss experience on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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45. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Restricted deposits, pledged deposits, Investment deposits and bank balances

The restricted deposits, pledged bank deposits, investment deposits and bank balances are determined to have low risk at the end of reporting period. The credit risk on restricted deposits, pledged bank deposits, investment deposits and bank balances is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's internal credit risk grading assessment comprises the following categories:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

45. FINANCIAL INSTRUMENTS (CONTINUED)**(b) Financial risk management objectives and policies (continued)****Credit risk (continued)***Restricted deposits, pledged deposits, Investment deposits and bank balances (continued)*

The following table details the risk profile of the Group's financial assets which are subject to ECL assessment:

As at 31 December 2025

	Internal credit rating				Total
	Low risk	Watch list	Doubtful	Loss	
Total gross carrying amount (RMB'000)					
– trade receivables	232,053	6,979	4,468	19,978	263,478
– other receivables	9,891	173	1,100	11,496	22,660
– receivables at FVTOCI	279,127	–	–	–	279,127
– pledged bank deposits	450,335	–	–	–	450,335
– restricted deposits	39,500	–	–	–	39,500
– Time deposits	437,620	–	–	–	437,620
– cash and cash equivalents	405,568	–	–	–	405,568
	1,854,094	7,152	5,568	31,474	1,898,288

As at 31 December 2024

	Internal credit rating				Total
	Low risk	Watch list	Doubtful	Loss	
Total gross carrying amount (RMB'000)					
– trade receivables	150,374	9,252	57	14,934	174,617
– other receivables	6,766	–	700	11,496	18,962
– amount due from a related party	6,047	–	–	–	6,047
– receivables at FVTOCI	286,076	–	–	–	286,076
– pledged bank deposits	526,653	–	–	–	526,653
– restricted deposits	24,061	–	–	–	24,061
– cash and cash equivalents	358,128	–	–	–	358,128
	1,358,105	9,252	757	26,430	1,394,544

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

45. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Restricted deposits, pledged deposits, Investment deposits and bank balances (continued)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The Group has concentration of credit risk in relation to its trade receivables as follows:

	As at 31/12/2025	As at 31/12/2024
Amount due from the largest debtor as a percentage to trade receivables	66.78%	48.51%
Total amounts due from the five largest debtors as a percentage to trade receivables	86.15%	83.07%

The Group keeps exploring new customers to diversify and strengthen its customer base to reduce the concentration of credit risk.

The Group managed its concentration of credit risk so as to spread over to various customers. In order to minimise the credit risk, the Directors continuously monitor the level of exposure to ensure that follow-up actions and/or corrective actions are taken promptly to lower exposure or even to recover the overdue debts.

The Group has concentration of credit risk on liquid funds which are deposited with several banks. However, the credit risk on bank balances is limited because the majority of the counterparties are banks with good reputation and/or good credit rating.

Other than the above, the Group does not have significant concentration of credit risk.

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45. FINANCIAL INSTRUMENTS (CONTINUED)**(b) Financial risk management objectives and policies (continued)****Liquidity risk**

The Directors have built an appropriate liquidity risk management framework for the management of the Group's short-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by closely and continuously monitoring the Group's consolidated financial position. The Directors maintain the sufficiency of cash flows with availability of unutilised banking facilities and internally generated funds. The Directors also review the forecasted cash flows on an on-going basis to ensure that the Group will be able to meet its financial obligations falling due and have sufficient capital for operation and expansion. Maturity of financial obligations will be re-negotiated with banks and changes on capital expansion plan will be made should the need arise.

The following tables detail the remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows, include both principal and interest, on non-derivative financial liabilities based on the earliest date in which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

Liquidity tables

	Weighted average interest rate %	On demand or less than 3 months RMB'000	3 months to 1 year RMB'000	1 year to 2 years RMB'000	>2 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
As at 31 December 2025							
Trade and other payables	-	219,090	-	-	2,000	221,090	221,090
Bills payables	-	237,000	221,300	-	-	458,300	458,300
Borrowings - fixed rate	5.73	74,271	937,292	74,603	58,699	1,144,865	1,111,806
Amount due to a related party	-	8,614	-	-	-	8,614	8,614
Lease liabilities	5.35	877	3,344	3,693	3,908	11,822	10,707
		539,852	1,161,936	78,296	64,607	1,844,691	1,810,517
As at 31 December 2024							
Trade and other payables	-	281,113	-	-	-	281,113	281,113
Bills payables	-	431,200	163,378	-	-	594,578	594,578
Borrowings - fixed rate	5.64	274,566	643,744	-	-	918,310	895,857
Amount due to a related party	-	6,950	-	-	-	6,950	6,950
Lease liabilities	4.04	764	1,465	-	-	2,229	2,196
		994,593	808,587	-	-	1,803,180	1,780,694

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45. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

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

The following financial assets of the Group are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	31/12/2025	31/12/2024			
Listed equity investments classified as financial assets at FVTPL	Listed equity securities in Australia: RMB252,000	Listed equity securities in Australia: RMB147,000	Level 1	Quoted bid prices in an active market.	N/A
Receivables at FVTOCI	Receivables at FVTOCI in the PRC: RMB279,127,000	Receivables at FVTOCI in the PRC: RMB286,076,000	Level 2	Discounted cash flow method was used to capture the present value of the cash flows to be derived from the receivables using the discount rate that reflected the credit risk of the corresponding banks which are observable.	N/A

There was no transfer between Level 1 and 2 during the current year.

Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis

The Directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair value.

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

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46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings Note 34 RMB'000	Dividend payable Note 32 RMB'000	Interest payable Note 32 RMB'000	Amount due to a related party Note 47 RMB'000	Lease liabilities Note 36 RMB'000	Bills payables Note 32 RMB'000	Total RMB'000
At 1 January 2024	(783,621)	(2,173)	(286)	(2,742)	(5,401)	(692,750)	(1,486,973)
Financing cash (inflow) outflow	(210,457)	69,695	65,429	(4,208)	3,381	98,172	22,012
Non-cash changes:							
Interests expenses	–	–	(65,899)	–	(176)	–	(66,075)
Maturity of bills discounted	98,221	–	–	–	–	–	98,221
Dividend declared	–	(70,206)	–	–	–	–	(70,206)
At 31 December 2024	(895,857)	(2,684)	(756)	(6,950)	(2,196)	(594,578)	(1,503,021)
Financing cash (inflow) outflow	(353,678)	37,815	66,789	(1,664)	2,894	136,278	(111,566)
Non-cash changes:							
Interests expenses	–	–	(66,414)	–	(130)	–	(66,544)
Maturity of bills discounted	88,129	–	–	–	–	–	88,129
Maturity of other borrowing	49,600	–	–	–	–	–	49,600
Dividend declared	–	(35,131)	–	–	–	–	(35,131)
New leases entered/lease modified	–	–	–	–	(11,275)	–	(11,275)
At 31 December 2025	(1,111,806)	–	(381)	(8,614)	(10,707)	(458,300)	(1,589,808)

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47. RELATED PARTY TRANSACTIONS

Save as disclosed in notes 12, 34, 38 and 39, the Group has the following related party transactions during the year:

(a) Related party transactions

During the year, save as disclosed elsewhere in the consolidated financial statements, the Group had the following related party transactions:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Interest expense on lease liabilities: Shenyang Shengtai Property Management Co., Ltd.* (瀋陽盛泰物業管理有限公司) ("Shenyang Shengtai") (note a)	32	110
Property fee: Shenyang Shengtai	952	952
Service income: Fushun Majuncheng (note c)	2,335	2,367
Other income: Fushun Majuncheng	–	142
Rental income: Beijing Heyan Yue'se Medical Beauty Clinic Co., Ltd.* (北京和顏悅色醫療美容診所有限公司) ("Beijing Heyan") (note d)	1,200	1,200
Guaranteed fee paid to: Tuochuan Capital Limited (notes a and e)	–	2,340
Share-based payment transaction granted to: Dr. Qiu	6,106	2,504
Ms. Zhang Jing	966	–
Total	7,072	2,504

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47. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Trade receivables

	31 December 2025 RMB'000	31 December 2024 RMB'000
Fushun Majuncheng	3,814	2,675

* English name is for identification purpose only.

(c) Other receivables

	31 December 2025 RMB'000	31 December 2024 RMB'000
Fushun Majuncheng	150	150

(d) Lease liabilities

	31 December 2025 RMB'000	31 December 2024 RMB'000
Shenyang Shengtai	6,321	1,471

(e) Amount due to a related party

	31 December 2025 RMB'000	31 December 2024 RMB'000
Huaren Shengze (note a)	8,614	6,950

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47. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Amount due from a related party

	31 December 2025 RMB'000	31 December 2024 RMB'000
Mingde Capital (note b)	–	6,047

Notes:

- (a) Shenyang Shengtai, Tuochuan Capital Limited and Huaren Shengze are controlled by Mr. Yang Jiye, one of the Controlling Shareholders of the Company. The amount due to Huaren Shengze is unsecured, interest-free and payable on demand.
- (b) Pursuant to an agreement entered into between the Company and Mingde Capital (formerly known as Best Fate Limited) in previous year, the Company agreed to transfer 3% shares of Hanking Australia to Mingde Capital at the consideration of AUD1,260,000 (equivalent to approximately RMB5,619,000), bear interest rate of 5.6% per annum. The beneficial owners of Mingde Capital are the executive directors of the Company and/or directors of Hanking Australia. The amount has been settled in full during the year.
- (c) Fushun Majuncheng is controlled by Ms. Yang Min, one of the Controlling Shareholders of the Company.
- (d) Mr. Yang Jiye, one of the Controlling Shareholders of the Company, has significant influence over Beijing Heyan.
- (e) Borrowings guaranteed by related parties were disclosed in note 34.
- (f) The remuneration of key management personnel which represents the executive Directors and key executives of the Group during the year was as follows:

	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Retirement benefit scheme contributions	1,105	1,454
Salaries, allowances and benefits in kind	12,430	10,240
Bonus	3,267	3,241
Equity settled share-based expense	9,003	2,504
	25,805	17,439

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48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	31/12/2025 RMB'000	31/12/2024 RMB'000
Non-current Assets		
Interests in subsidiaries	3,172,403	2,663,354
Investment in an associate	8,598	7,699
	3,181,001	2,671,053
Current Assets		
Other receivables	–	6,047
Cash and cash equivalents	75,657	204,455
	75,657	210,502
Current Liabilities		
Amounts due to subsidiaries	2,847,981	2,672,433
Tax liability	37,406	33,865
	2,885,387	2,706,298
Net Current Liabilities	(2,809,730)	(2,495,796)
Total Assets less Current Liabilities	371,271	175,257
Capital and Reserves		
Share capital (note 37)	167,055	160,203
Reserves	204,216	15,054
Total equity	371,271	175,257
	371,271	175,257

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48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Movement in the Company's reserves

	Restricted shares held for the Scheme RMB'000	Share premium RMB'000	Special reserve (Note) RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2024	(44,332)	51,433	(48,744)	84,781	43,138
Profit and total comprehensive income for the year	–	–	–	42,122	42,122
Dividend paid	–	–	–	(70,206)	(70,206)
At 31 December 2024	(44,332)	51,433	(48,744)	56,697	15,054
Profit and total comprehensive income for the year	–	–	–	19,461	19,461
Dividend paid	–	–	–	(35,131)	(35,131)
Issue of new shares	–	207,634	–	–	207,634
Transaction costs attribute to issue of shares	–	(2,802)	–	–	(2,802)
At 31 December 2025	(44,332)	256,265	(48,744)	41,027	204,216

Note: Special reserve mainly represented the distribution to the then equity shareholders at the time when the Company undergone business combination involving entities under common control in 2013 and the deemed capital contribution arising from the gain on disposal in respect of Hanking (Indonesia).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

49. MAJOR NON-CASH TRANSACTIONS

- (i) During the year, short-term borrowings drawn on discounted bills with recourse of RMB88,129,000 (2024: RMB98,221,000) have been settled through bills discounted to the relevant financial institutions. In addition, short-term borrowings drawn on account receivables factoring with recourse of RMB49,600,000 (2024: nil) have been settled through account receivables factored to the relevant financial institutions during the year.
- (ii) During the year, the Group has entered into 3 new lease agreements for the use of office and premises for 3 years and 5 years respectively. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of RMB11,275,000 and RMB11,070,000 (2024: nil) respectively.
- (iii) Following the renewal of the mining licence and expansion of the mine area of Shangma Mine, the Group has updated its rehabilitation report during the year. As a result, the Group has recognised property, plant and equipment and provision of RMB47,191,000 and RMB47,191,000 (2024: nil) respectively.

50. EVENT AFTER THE REPORTING PERIOD

Save as disclosed in notes 1, 14, 32 and 39, the Group has the following events taken place subsequent to December 31, 2025:

- (i) On 21 January 2026, the Company entered into the subscription agreements with four subscribers respectively, pursuant to which the subscribers have conditionally and severally agreed to subscribe for, and the Company has conditionally agreed to issue and allot, an aggregate of 43,960,000 subscription shares at the subscription price of HKD3.80 per subscription share.
- (ii) On 22 January 2026, the Company and the placing agents entered into a placing agreement, pursuant to which the placing agents have conditionally and severally agreed, as the Company's placing agents, to procure, on a best efforts basis, not less than six placees to subscribe for up to 162,040,000 new Shares at the Placing Price of HKD3.80 per Share.

Subscription and placing of these new shares have been completed on 29 January 2026.

DEFINITIONS

“Aoni Mine”	located at Hou’an Town, Fushun City, an iron mine operated through Aoni Mining, a subsidiary of the Company
“Aoni Mining”	Fushun Hanking Aoni Mining Co., Ltd. (撫順罕王傲牛礦業股份有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“Articles of Association”	the articles of association approved by the Company at the general meeting held on 24 May 2023, with effect from the same day and as amended from time to time
“AUD”	the lawful currency of Australia
“Audit Committee”	the audit committee of the Board
“Australia”	The Commonwealth of Australia
“Board” or “Board of Directors”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China. For the purpose of this report only, references in this report to the PRC or China do not include Hong Kong, Macau Special Administrative Region and Taiwan
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Company” or “our Company” or “we”	Hanking Gold International Limited (罕王黃金國際有限公司) (formerly known as China Hanking Holdings Limited (中國罕王控股有限公司))
“Controlling Shareholders”	has the meaning ascribed to it in the Listing Rules and unless the context requires otherwise, refers to Ms. Yang Min, Mr. Yang Jiye, China Hanking (BVI) Limited, Bisney Success Limited and Tuochuan Capital Limited
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Directors”	the directors of the Company
“EBITDA”	the abbreviation of earnings before interest, taxes, depreciation and amortization
“Group” or “Hanking” or “Hanking” or “Hanking Gold”	Hanking Gold International Limited (formerly known as China Hanking Holdings Limited (中國罕王控股有限公司)) and its subsidiaries
“Hanking Australia”	Hanking Australia Investment Pty Ltd, a limited liability company established in Australia and a non wholly-owned subsidiary of the Company
“Hanking D.R.I.”	Fushun Hanking D.R.I. Co., Ltd. (撫順罕王直接還原鐵有限公司), a limited liability company established in the PRC, which became a subsidiary of the Company in June 2019

DEFINITIONS

“Hanking Group”	Hanking Group Co., Limited (罕王實業集團有限公司), a limited liability company established in the PRC on 4 April 1996, whose shares are held by Ms. Yang Min (88.96%) and other individuals. Hanking Group is a holding company controlled by a Controlling Shareholder
“HSEC Committee”	the health, safety, environmental protection and community committee of the Board
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Indicated Resource”	an indicated resource is one which has been sampled by drill holes or other sampling procedures at locations too widely spaced to ensure continuity, but close enough to give a reasonable indication of continuity and where geoscientific data are known with a reasonable level of reliability
“Inferred Resource”	an inferred resource is one where geoscientific evidence from drill holes or other sampling procedures is such that continuity cannot be predicted with confidence and where geoscientific information may not be known with a reasonable level of reliability
“JORC”	Australasian Joint Ore Reserves Committee
“JORC Code”	JORC Code, 2012 Edition
“Latest Practicable Date”	25 March 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this annual report prior to its publication
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Maogong Mine”	located at Shiwen Town, Fushun City, an iron mine operated through Maogong branch of Aoniu Mining
“Maogong Mining”	Fushun Hanking Maogong Mining Co., Ltd. (撫順罕王毛公鐵礦有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules

DEFINITIONS

“Measured Resource”	a measured resource is one which the geologic feature, shape of the ore, occurrence, scale, ore quality, grade, as well as the mining technology condition and the continuity of the ore body have been ascertained according to the accuracy of prospecting in the mining area, the data that mineral deposit depended on is elaborate enough; and the one has high reliability
“Nomination Committee”	the nomination committee of the Board
“Prospectus”	the prospectus of the Company dated 20 September 2011
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	for the year ended 31 December 2025
“RMB”	Renminbi Yuan, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time)
“Shangma Mine”	located at Shangma Town, Fushun City, an iron mine operated through Shangma branch of Aoniu Mining
“Shangma Mining”	Fushun Hanking Shangma Mining Co., Ltd. (撫順罕王上馬礦業有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) with a nominal value of HKD0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“US\$” or “USD” or “US dollars”	United States dollars, the lawful currency of the United States