
RISK FACTORS

[REDACTED] in our H Shares involves significant risks. You should carefully read and consider all of the information in this document, including the risks and uncertainties described below, before deciding to [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, results of operations, financial condition and growth prospects. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. The risks and uncertainties identified below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business and results of operations.

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. These risks can be broadly categorized into (i) risks relating to our business and industry; (ii) risks relating to the jurisdictions in which we operate; and (iii) risks relating to the [REDACTED].

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our operations are susceptible to risks that are commonly associated with mining companies.

Our operations are subject to a number of operational risks typically associated with the mining industry, some of which are beyond our control and cannot be completely mitigated. Such risks may include: unexpected maintenance or technical problems; interruptions to our mining operations due to hazardous weather conditions and natural disasters, such as floods, including, but not limited to, surface and underground flooding, landslides and earthquakes; electricity or fuel supply interruptions; critical equipment failures in our mining, processing and production operations; the handling and storage of certain dangerous substances and the use of heavy machinery; unusual or unexpected variation in the mine and geological or mining conditions, such as instability of the slopes and subsidence of the working areas; seismic events; exposure to health-related hazards, such as inhalable dust, silicosis and noise; surface or underground fires and explosions, including those caused by flammable gas or in connection with blasting; cave-ins, blockages, wall collapses or gravity induced falls of ground; discharges of gases and toxic substances; releases of radioactivity; electrocution; falling from height; accidents related to the presence of mobile machinery, including underground trains and shaft conveyances; industrial accidents, including, but not limited to, accidents and conditions resulting from drilling, blasting and removing and processing material which would also include, but is not limited to, the inhalation of dust and noise induced hearing loss; human errors and conduct; environmental degradation, including pollution of ground and surface water, air or soil; environmental issues, including production disruption due to weather conditions; and other accidents or conditions resulting from mining activities, such as blasting and the transport, storage and handling of hazardous materials. Should any of such events occur, our operations may be materially adversely affected.

Changes in the market price for gold, which in the past have experienced significant volatility, affect the profitability of our operations and the cash flows generated by those operations.

During the Track Record Period, part of our revenue was derived from the sale of gold. Historically, the price of gold has experienced significant volatility, and in recent periods, global gold prices have experienced particularly sharp fluctuations due to changes in global monetary policies, heightened geopolitical tensions, inflationary pressures and shifts in investor sentiment. See “Industry Overview” in this document. Gold price has been affected by numerous factors beyond our control, including, among others, the strength or weakness of the U.S. dollar (the currency in which gold price generally is quoted) and of other currencies, including the Renminbi; the demand for gold for industrial uses and use in jewelry; the demand for gold from relatively new emerging markets and the emerging middle class in these markets; inflation in the markets in which we operate and globally; the actual, expected or rumored purchases and sales of gold bullion holdings by central banks or other large gold bullion holders or dealers; international or regional political and economic events or trends; the demand for exchange traded funds which replicate the performance of gold; the demand for gold for investment purposes; the demand for gold investment alternatives, including the emerging demand for Bitcoin and other cryptocurrency; investor confidence in gold and the gold business; speculative trading activities in gold; the overall level of forward sales by gold companies; the overall level and cost of production of gold; financial market expectations regarding the rate of inflation; and interest rates.

It is not possible for us to predict the aggregate effect of these factors. If gold price falls below the amount it costs us to produce gold and remains at such levels for any sustained period, our revenue and profit would be materially and adversely affected. As a result, we may be forced to curtail or suspend some or all of our projects or operations, or reduce operational capital expenditures in part or completely. In addition, we might not be able to recover any losses incurred during or after such periods. Moreover, our reserves estimates and production may also be affected by significant deviations from and fluctuations in actual gold prices.

Due to the recent changes in the global geopolitical and economic environment, the price of gold has experienced significant volatility, including periods of rapid appreciation and sharp corrections. To mitigate the risks arising from fluctuations in metal prices and maintain our profitability at a stable level, we have implemented a comprehensive risk management policy through our trading business using financial derivatives, with a high hedge ratio (approximately 88.5% by weight, after VAT adjustment). See “Business — Trading — Strategic Value of Our Trading Operations.” Such fluctuations in gold prices have contributed to, and may

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continue to contribute to, fluctuations in our revenue and gross profit during the Track Record Period. A sustained period of significant gold price volatility may adversely affect our ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations, or to make other long-term strategic decisions, particularly where investment returns are highly sensitive to long-term gold price assumptions. In addition, as we also generate revenue from the sales and trading of other non-ferrous metals, our results of operations would also be affected by the global prices of such metals, which may themselves exhibit volatility similar to that of gold. See “Industry Overview” in this document.

We are subject to uncertainty in the results of exploration, and we may not be able to expand or replenish our resources and reserves through further exploration.

Resources and reserves are non-renewable, and the exploration of new and potential resources is crucial to a mining enterprise. However, exploration of resources bears uncertainties, and therefore substantial expenses may be incurred from initial drilling to production. The success of any mining exploration program depends on various factors including, among other things, (i) whether ore bodies can be located; (ii) whether the location of ore bodies are economically viable to mine; (iii) whether appropriate metallurgical processes can be developed and appropriate mining and processing facilities can be economically constructed; and (iv) whether necessary governmental permits, licenses, and consents can be obtained. Furthermore, there can be no assurance that our resources may be ultimately extracted at a profit. Should this occur and we operate at a loss, our business and prospects may be materially and adversely affected.

In order to maintain our production level of gold and other non-ferrous metals beyond the life of the current proved and probable reserves, we must identify further reserves capable of economical exploitation. However, due to the unpredictable and speculative nature of our industry, there is also no assurance that any exploration can lead to the discovery of economically feasible reserves. If we fail to replenish our mineral resource levels in existing or new mining areas, we may not be able to maintain the current production levels after the remaining usable life of the existing mining areas lapses. In addition to the possibility that our exploration efforts may generate futile outcomes, we cannot assure that we will be able to obtain the necessary exploration permits in the future. Such events may materially and adversely affect our business and future prospects.

Failure to increase our reserves, either through enhancing existing reserves, or developing new projects, or may adversely affect our business and results of operations.

To access additional reserves in explored areas, we will need to successfully complete development projects, including extending existing mines and developing new mines. We typically conduct feasibility studies to determine whether to undertake significant construction projects. Actual results may differ significantly from those anticipated by our feasibility studies. In addition, there are a number of uncertainties inherent in the development and construction of any new mine or an extension to an existing mine, including: (i) the availability and timing of necessary governmental approvals; (ii) the timing and cost necessary to construct mining and processing facilities, and the availability and cost of smelting and refining arrangements; (iii) the availability and cost of labor, utilities, auxiliary materials and other supplies and the accessibility of transportation and other infrastructure; and (iv) the availability of funds to finance construction and production activities. Furthermore, there can be no assurance that such efforts to expand our resources and reserves will succeed. They may be delayed or adversely affected by various factors, including, but not limited to, failure to obtain relevant regulatory approvals to expand the original scope of our permits and licenses, failure to secure sufficient financing to fund our expansion and production, the occurrence of geotechnical difficulties, constraints on managerial, operational, technical and/or other resources, and operational costs exceeding our expectations.

In addition, if a viable deposit is discovered, it could take us several years and a large amount of capital expenditure from the initial phases of exploration to production commencement, during which time the presumed market price of gold may change, and the capital cost and economic feasibility of such deposit may change. There is also no assurance that we will have, or be able to raise, the required funds to engage in these activities or to meet our obligations with respect to any exploration properties in which we have or may acquire an interest. Furthermore, there can be no assurance that reported resources will be converted into reserves, and actual results upon production may materially differ from those anticipated at the time of discovery. In the event we fail to replace our depleted resources and reserves, to expand our resources or reserves base or our future expansion plans are delayed or fail to deliver the expected economic benefits, our business, financial condition, results of operations and future growth may be materially and adversely affected.

We may not be able to effectively execute our business strategies. In addition, estimates relating to expansion projects of existing operations are uncertain and we may incur higher costs and lower economic returns than estimated.

The ability to grow our business and to ensure a robust and sustainable growth will depend on the successful implementation of our existing and proposed strategic initiatives, such as to improve productivity, reduce cost and enhance profitability, and to continue to obtain resources and reserves quality gold assets. The successful implementation of our strategies depends upon many factors, including those outside our control, and could have a material adverse effect on our business, financial condition and results of operations.

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Our future expansion may place a significant strain on our managerial, operational, technical and financial resources. If we fail to maintain sufficient internal sources of liquidity and secure external sources of funding for future growth, we may encounter, among other things, significant delays in production and operational difficulties. If we are unable to effectively manage our growth and the associated increased scale of our operations, the efficiency of our operations, our ability to attract and retain key personnel and our business and prospects could be materially and adversely affected.

We may be subject to risks relating to developing our overseas business.

In the year ended December 31, 2024, we acquired 100% equity interest in Osino Mining, which holds 100% equity interest in Twin Hills Gold Mine in Namibia. See “History, Development and Corporate Structure — Corporate Developments” in this document for details. As we plan to further expand our operations overseas in the future, we may be exposed to various risks associated with conducting business in foreign countries and territories, which may include:

- an increase in competition from foreign players or failure to anticipate changes to the competitive landscape in overseas markets due to lack of familiarity with the local business environment;
- difficulties integrating business and management systems overseas with our existing operations;
- political risks, including civil unrest, acts of terrorism, acts of war, regional and global political or military tensions and strained or altered foreign relations, which may lead to interruptions in our business operations and/or loss of property;
- economic, financial and market instability and credit risks;
- difficulties and costs associated with complying with, and enforcing remedies under, a wide variety of complex domestic and international laws, treaties and regulations;
- inability to obtain or maintain the requisite licenses, permits, approvals and certificates in foreign jurisdictions;
- economic sanctions, trade restrictions, discrimination, protectionism or unfavorable policies against Chinese companies;
- difficulties with staffing, potential loss of key employees and managing overseas operations after localization, including with respect to compliance with local labor laws;
- exposure to litigation or third-party claims outside of China;
- foreign currency exchange controls and fluctuations;
- uncertainties in the interpretation and application of tax laws and regulations, more onerous tax obligations and unfavorable tax conditions;
- potential disputes with, and loss of, foreign customers or other foreign parties we work with;
- the infringement of our intellectual property rights in foreign jurisdictions;
- illegal or unauthorized actions of third-parties (for instance, illegal or artisanal mining) on-site or in the vicinity;
- lack of a well-developed or independent legal system in certain foreign countries in which we conduct our business, which may create difficulties in the enforcement of legal rights; and
- cultural and language difficulties.

Any of the above factors could lead to, among others, business disruptions, increased costs and losses, which could have a material and adverse effect on our business, results of operations and overall growth strategies.

We may not be able to exercise effective overall planning and in terms of control project executions, which may result in significant timeline delays, budget overruns and value erosion.

The management of mining projects may involve complex coordination of resources, contractors, and regulatory approvals. Various factors beyond our control, for example, any delays in obtaining government permits, non-performance or errors by third-party contractors, shortages of labor or materials, unforeseen engineering difficulties, adverse weather or other force majeure events, could disrupt our project timelines and cost estimates. In addition, planned production schedules may not proceed due to a myriad factors beyond our control. If we are unable to mitigate these issues, our projects may not be completed on schedule or within budget. As a result, we might not achieve the intended economic benefits or projected returns. Moreover, significant delays or cost overruns can erode the value of our investments and may require us to seek additional capital, materially and adversely impacting on the commercial viability of the projects and our overall financial performance.

The implementation of our ESG policies and practices may affect our reputation, business success, and future prospects.

Mining development can be highly synergistic with environmental protection and ecological development. We strive to adhere to international standards and have adopted international standards to guide the development of our ESG system, integrating ESG concepts into the our corporate development process. We enhance the foundation for green and sustainable development, established ecological restoration and environmental protection plans which are highly adaptable to our projects, and strive to promote the implementation of effective measures to reach carbon neutrality and carbon reduction to help achieve global green sustainable development and net zero targets. Maintaining and increasing compliance with such ESG

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standards and building our reputation could increase our operational costs. The continued success of our existing operations and future projects will in part rely on the support of, and a healthy relationship with, the local communities in which our operations are located, in addition to conducting operations in a manner that is not detrimental to the environment. While formal permission to operate is ultimately controlled by host governments, many mining activities require social permission from host communities and influential stakeholders to carry out operations effectively, sustainably and profitably.

The consequences of negative community reaction could therefore give rise to material reputational damage which can pose obstacles to our ability to develop our projects and maintain our operations, and have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation. If our operations are delayed or shut down as a result of political and community instability, our earnings may be constrained and the long-term value of our business could be adversely impacted. Although there have not been any material adverse action taken against us up to the Latest Practicable Date, the uncertainty associated with such political or community instability could negatively impact the perceived value of our assets and mining investments and, consequently, have a material adverse effect on our financial condition. In order to maintain our social license to operate, we may need to design or redesign parts of our affected mining operations to minimize their impact on the relevant communities and the environment, either by changing mining plans to avoid such impact, by modifying operations, by changing planned capital expenditures, or by relocating the affected people to an agreed location.

Specifically, some of our current and potential mining activities overseas are or may be located in or near communities that may regard such operations as having a detrimental effect on their safety or environmental, economic or social circumstances. It has become common in Namibia for communities surrounding mines to rely on the business prospect brought by the mines to improve standards of living in the area. Such communities may engage in protest action, which may affect access to the mine and production. For example, the local regulations and MEPA between mining right holders and government stakeholders in Namibia stipulate that every mining right holder is required to promote local employment, advance social and economic welfare, contribute to transforming the mining industry and ensure that mining companies contribute to the development of the areas where they operate. Failure to comply with such social obligations may result in the suspension and/or cancellation of the environmental certificate and the corresponding suspension or stoppage of project implementation and activities.

Globally, there has been a gradual push from financial and investment communities, including asset managers, sovereign wealth funds, public pension funds, universities and other groups, to promote improvements in ESG performance by mining companies. The compliance with the various ESG disclosure requirements and standards such as TCFD, and gold industry standards such as the World Gold Council Conflict-free Gold Standard and the World Gold Council Responsible Gold Mining Principles, may result in significant costs and managerial resources, particularly where standards change rapidly or duplication in reporting is required. Conversely, should we be perceived as deficient in relation to ESG practices and strategies, our ability to raise funds may be affected, this may lead to a material and adverse impact on our reputation, business, financial condition and results of operations.

We may fail to obtain, maintain or renew the government permits, licenses, and approvals required for our operations.

As a gold and other non-ferrous metal mining company, we are subject to extensive laws, rules and regulations imposed by the governments in the respective jurisdictions in which we operate. For instance, under the PRC Mineral Resources Law, all resources in China are owned by the state. Mining companies, including ourselves, are required to obtain mining licenses and exploration permits prior to undertaking any mining or exploration activities, and the mining licenses and exploration permits are limited to a specific geographic area and a certain time period. In addition, pursuant to relevant PRC and Namibian laws and regulations, before commencing production, we are required to pass a number of inspections and obtain various approvals, permits, and licenses with respect to environmental protection, land use, and production safety, among other requirements.

Changes in local laws, regulations and policies, including those with respect to environmental protection, land use, mining, and exploration activities, that are out of our control, may affect our ability to obtain timely renewals for such licenses and permits. Should we fail to obtain, renew and/or maintain such approvals, permits, and licenses, our current operations may be ordered to suspend and our future operations may not be able to commence at all. As advised by our PRC Legal Advisor and Namibian Legal Advisor, whilst as of the Latest Practicable Date, other than the mining licenses and exploration permits being renewed, we had obtained the requisite approvals, licenses and permits for our current operations in all material aspects, there can be no assurance that we will be able to obtain or renew such approvals, licenses or permits, comply with all conditions requested by government authorities to maintain those permits, or obtain, retain or renew other approvals, licenses and permits necessary for our business operations in the future, either in respect of our existing mines or at any mines we may operate in the future. In particular, as of the Latest Practicable Date, there remains a material risk that Mangshi Huasheng Mining may not ultimately obtain the approval for registration of mineral resource report and modification of mining rights, as a prerequisite for the renewal of the safety production permit to resume full operations. The licensing process is inherently complex and involves multiple regulatory

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stages, including completion and approval of the reserve verification report, expansion of the designated mining area, and review of the mining plan and ecological restoration scheme by authorities at the municipal, prefectural, and provincial levels. Each stage carries uncertainty in terms of timing and outcome, and any delay, change in approval standards, or adverse assessment could prolong or prevent the issuance of the mining license. Although our Group has initiated the required procedures and is actively engaging with the relevant authorities, the approval process is not within our Group’s control. As a result, there is no assurance that Mangshi Huasheng Mining will obtain the mining license on the anticipated timeline, or at all, which could adversely affect the redevelopment schedule, production resumption plans, and overall business prospects of our Group.

We have in the past experienced, and may experience, instances where our mining output exceeded the scale as specified under our mining licenses. Under the relevant PRC laws and regulations, we may be subject to administrative penalties, including fines or orders to rectify within a prescribed period. As advised by our PRC Legal Advisor, our excess in the scale of mining output did not constitute material non-compliance of any applicable PRC laws and regulations, and the risk that we will be ordered by the competent authorities to suspend production as a result thereof is low. However, the competent authorities may hold a different view. Any failure to obtain, retain or renew, or any delay in obtaining or renewing, such approvals, licenses or permits could subject us to a variety of administrative penalties or other government actions and adversely impact our business operations.

Intense market competition may affect our ability to acquire favourable resources.

We compete with a gold companies in China and abroad. Our competitors may have certain advantages over us, including, for example, diversified sources of fundings, better financial performance, greater technical and resources, greater economies of scale, broader name recognition and more established relationships in certain markets. As a result, these competitors may be able to devote more resources to the discovery of new resources and reserves and acquire new resources or other gold mining companies. Competition could also have an adverse impact on the demand for, and pricing of, our products, which in turn affects our business growth and financial condition. There can be no assurance that we will be able to continue to compete effectively or maintain or improve our market position. If we fail to compete effectively, it will have a material adverse effect on our businesses, results of operations and financial condition.

We may experience valuation and integration risks associated with acquisitions or joint ventures.

We may strategically pursue acquisitions, joint ventures or strategic collaborations to strengthen our industry leadership. Any such acquisition, joint venture or strategic collaboration may change the scale of our business and operations and may expose us to new geographic, geological, political, social, operating, financial, legal, regulatory and contractual risks, including but not limited to:

- significant changes in commodity prices after we have committed to complete a transaction and established a purchase price or share exchange ratio;
- mineral ore bodies that may not meet expectations;
- difficulties integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls;
- higher costs of integration than we anticipated;
- diversion of management’s attention from our day-to-day business;
- inability to manage the newly acquired entities due to new operating and regulatory requirements;
- undetected liabilities which may be significant;
- disputes or breaches by our joint venture partners or strategic business partners, or the inability of our joint venture partners or strategic business partners to fulfill contractual obligations due to their businesses or financial condition; and
- difficulties in obtaining various governmental approvals.

In respect of future acquisitions, we may encounter difficulties in identifying suitable targets and integrating acquired operations, services, corporate culture and personnel into our existing business and operations. Further, we may discover previously unidentified liabilities or other issues that we did not discover in our pre-acquisition due diligence investigations. These activities may divert significant management attention from existing business operations, which may harm our business. In addition, acquisitions will require our management to develop expertise in new areas, manage new business relationships and attract new types of customers. There can be no assurance that any acquisition, joint venture or strategic collaboration will achieve the results intended. Any problems experienced by us in connection with an acquisition, joint venture or strategic collaboration as a result of one or more of these or other factors could have a material and adverse effect on our business, financial condition and results of operations.

In relation to strategic acquisitions, we have also added a certain level of goodwill to our balance sheet, primarily arising from the purchase of new mining business. Such goodwill represents the premium paid over the fair value of identifiable net assets, based on the anticipated future cash flows from the acquired operations. However, there is a risk of impairment losses if the production schedules of these newly acquired mines cannot proceed as planned. Such risks may arise from regulatory delays, technical or geological challenges, or adverse market conditions. If the cash operating costs or total production costs, as illustrated above, exceed

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expectations, or if the mine underperforms in terms of output or profitability, the projected cash flows may fall short. In such cases, the carrying value of goodwill or other related assets may need to be written down, which could negatively impact our financial results.

In addition, acquisitions inherently involve significant valuation risks. When assessing potential targets, we rely on public financial information, recommendations from financial advisers, resource estimates, production forecasts, market assumptions and management representations that may ultimately prove to be inaccurate, incomplete or overly optimistic. The valuation of mining assets in particular depends on commodity prices, ore grade assumptions, extraction costs and reserve estimates, each of which is subject to uncertainty and external factors beyond our control. If the performance of an acquired business falls short of the assumptions used in determining the purchase price, we may be required to recognise impairment losses, experience reduced returns on investment or fail to recover the capital deployed. There are also substantial integration risks associated with acquired businesses and brands. Integrating new operations may require aligning different operating systems, production processes, internal controls, compliance practices, information technology systems and organisational structures. Cultural misalignment between existing personnel and the workforce of acquired entities may also create inefficiencies, morale issues or employee turnover. Integration efforts may take longer or cost more than expected and may divert managerial, financial and operational resources away from our core business. Failure to integrate acquired businesses effectively could prevent us from achieving the intended strategic objectives.

Furthermore, we may be unable to realise the anticipated benefits, synergies, cost savings or operational efficiencies from acquisitions. Expected synergies may not materialise due to under-performance of the acquired assets, unexpected regulatory requirements, changes in commodity prices, differing corporate cultures, loss of key personnel, customer disruption or challenges in consolidating supply chains and sales channels. If these expected synergies or efficiencies do not occur on schedule or at all, the financial returns from acquisitions may be significantly lower than anticipated.

We may not be able to effectively manage our growth and business expansion.

For the years ended December 31, 2023, 2024 and 2025, our revenue was RMB8,094.8 million, RMB13,580.4 million and RMB17,090.1 million, respectively. Our overall gross profit margin for the same period were 32.0%, 30.0% and 31.9%, respectively. Our growth and future expansion may place a significant strain on our managerial, operational, technical and financial resources. In order to better allocate our resources to manage our growth, we must hire, recruit and manage our workforce effectively and implement adequate internal controls in a timely manner. Our risk management and internal control system may not be effective or adequate. If we fail to maintain sufficient internal sources of liquidity and secure external sources of funding for future growth, we may encounter, among other things, significant delays in production and operational difficulties. If we are unable to effectively manage our growth and the associated increased scale of our operations, the quality of our gold products, our ability to attract and retain key personnel and our business and prospects could be materially and adversely affected.

Our resource and reserve estimates and gold production estimates are based on a number of assumptions, which, if changed, may require us to lower our estimates. We may not be able to achieve our production estimates.

Our resources and reserves estimates are based on a number of assumptions. Neither estimates are precise calculations. Reserves estimates are based on available assumptions and considerations on extraction of measured and indicated mineral resources; and resources estimates are dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The accuracy of the estimates depends on the quantity and quality of available data, the assumptions made, and the judgments used in engineering and geological interpretation, which in each case may prove to be unreliable. The reserves estimates contained in this document represent the tonnage and grade of gold and other resources that we believe can be economically mined and processed and are estimated based on a number of economic and technical assumptions, including, among other things, currency exchange rates, dilutions, metallurgical and mining recovery assumptions, many of which are beyond our control. Reserves estimation is a time-related behavior and activity, and the reserves presented in this document has reflected the considerations and assumptions made being valid on the date of the Competent Person's Report. There is no assurance that our estimates will prove accurate or that the reserves can be mined or processed profitably.

In addition, compared to measured or indicated mineral resources, inferred mineral resources have a greater amount of uncertainty as to their existence and as to whether they can be mined economically as such mineral resources are inferred from geological evidence and assumed but not verified. We cannot assure you that all or part of the inferred mineral resources will ever be upgraded to a higher category.

The inclusion of resources estimates should not be regarded as a representation that all these amounts can be economically mined or processed, and nothing contained in this document should be interpreted as assurances of the economic viability of the mines that we hold mining licenses or exploration permits to or the profitability of our future operations. A reduction of our resources and reserves, including due to any of the above could have a material adverse effect on our business, financial condition and results of operations.

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Resources and reserves estimates in this document may differ from those in our prior public filings

In our previous public filing up to the year ended December 31, 2022, for our A-shares, our Company reported resources and reserves estimates in accordance with technical standards issued by the Ministry of Natural Resources of the PRC. These standards differ materially from the JORC Code, which has been adopted for the purposes of this document and applied in the Competent Person’s Report. As a result of this change in reporting standards, the figures presented in this document may not be directly comparable to those disclosed in our earlier filings. Moreover, in compliance with the JORC Code, we have updated the relevant data as of December 31, 2023 and December 31, 2024, and prepared the resources and reserves report as of December 31, 2025 based on the latest exploration and production data. Discrepancies in reported resources and reserves have occurred in respect of certain mines. These differences arise from the distinct classification systems and technical criteria used under the PRC standards and the JORC Code. For example, the JORC Code requires a higher level of geological confidence and the application of modifying factors, such as mining, processing, economic, legal, environmental, and social considerations, before reserves can be declared. The PRC standards may include categories such as “Possible Reserves” that are not recognized under JORC, and may rely on broader assumptions or historical data.

Our existing mining operations have a finite life and their eventual closure will entail certain costs and risks.

Our existing mining operations have a finite life and will eventually close. The key costs and risks for mine closures relate to (i) long-term management of permanent engineered structures; (ii) achievement of environmental remediation, rehabilitation and closure standards (including the assessment, funding and implementation of post-closure polluted and extraneous water pumping treatment); (iii) orderly retrenchment of employees; and (iv) relinquishment of the site with associated permanent structures and community development infrastructure and programs to new owners. The successful completion of these tasks is dependent on our ability to successfully implement negotiated agreements with the relevant government authorities, community and employees. The consequences of a difficult closure range from increased closure costs and handover delays to on-going environmental rehabilitation costs and damage to our reputation if a desired outcome cannot be achieved, all of which could materially and adversely affect our business and results of operations.

We may not be able to meet our estimated production volume.

Our production estimates are based on, among other things, reserves estimates, recovery rates, and the assumptions regarding ground conditions and physical characteristics of reserves, our mining schedule, utilization of production facilities, costs of production, conditions of the industry, political stability and the general economy.

Actual production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed elsewhere in this document, including, but not limited to:

- actual ore mined varying from estimates in grade, tonnage, and metallurgical and other characteristics;
- encountering unusual or unexpected geological conditions;
- mining dilution;
- actual recovery rate in formal production lower than estimates during the testing;
- restrictions imposed by government authorities;
- industrial accidents;
- equipment failures;
- natural phenomena such as weather conditions, floods, rock slides and earthquakes;
- changes in the costs of utilities;
- decreases in price of gold and other minerals which may cause Ore Reserves that are currently economic to become uneconomic;
- labor unrest, strikes or turnover;
- interference from local communities and competitors;
- socio-economic impact; and
- shortages of supplies needed for operation.

Such occurrences could result in damage to mineral properties, interruptions in production, injury or death to persons, damage to our property or the property of others, monetary losses and legal liabilities. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable. New mining operations frequently experience unexpected issues during the initial development phase. Delays can often occur in the commencement of production. Estimates of production from projects not yet in production or from operations that are to be expanded may also be affected by similar factors (including, in some instances, feasibility studies prepared by our personnel and/or outside consultants), but it is possible that actual facilities utilization, gold recovery rate, cash operating costs and economic returns will differ significantly from those currently estimated. There is no assurance that we will achieve our production estimates. If we are unable to achieve our production estimates, this could have a material and adverse effect on our business, financial condition and results of operations.

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In addition, our ability to achieve the estimated gold production volume is subject to a variety of risks and uncertainties that could materially affect our operations. These include, but are not limited to, operational challenges such as equipment failures, labor disputes and adverse weather conditions, as well as risks and hazards of the types discussed elsewhere in this document, which may disrupt our mining activities. Additionally, geological uncertainties, including unexpected variations in ore grade and mineral reserves, could lead to discrepancies between projected and actual production levels. Compliance with environmental regulations and obtaining necessary permits may also impact our production capabilities, as delays or changes in regulatory requirements could hinder our operations. Furthermore, fluctuations in gold prices and demand may necessitate adjustments to our production plans, potentially resulting in lower output than anticipated. Supply chain disruptions, technical and engineering risks, and financial constraints are additional factors that could adversely affect our ability to meet production targets. As a result, there can be no assurance that we will achieve our estimated gold production volume, which could have a material adverse effect on our future cash flow, business, financial condition and results of operations.

We may face delays, increased costs, and other potential risks from safety and maintenance issues or equipment breakdowns.

We cannot guarantee the success of commissioning and trial production for smooth operation of our facilities and equipment, as they may face aging infrastructure, unplanned breakdowns and stoppages that may result in production delays, increased costs and industrial accidents. Once shafts reach the end of their planned lifespan and begin operating under extended LOM conditions, additional maintenance, condition monitoring and care is required. Although we have comprehensive strategies in place to address these issues, incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have a material adverse effect on our business, financial condition and results of operations.

Similarly, the breakdown of facilities or machinery (and the downtime required to fix or modify such facilities or machinery), particularly if our equipment operate at utilization rates above their designed capacities, may delay the production and incur significant costs. In addition, as we conduct mining at greater depths, we may face higher operational risks associated with deep underground mining, including, but not limited to, increased stress on our mining structures, increased temperatures and ventilation difficulties, higher risk of rock bursts and seismic activities that may affect the operation and safety of our mines. Deeper mining will require us to enhance our mining infrastructure, methods and techniques, and devote more manpower and utilities to our mining activities, which will increase our costs. Furthermore, our operations rely on the existence and maintenance of appropriate and adequate infrastructure, including, but not limited to, the continuous and stable supply of power, at our mining concessions and surrounding areas. As a result, our operations may be adversely affected where such infrastructure ceases to exist or fails to be properly maintained. This may be beyond our control, and such risks cannot be completely eliminated through prevention efforts.

Our operations are subject to risks relating to occupational hazards.

The mining industry is characterized by a higher risk of mining accidents due to the nature of the work environment, which is typically underground, confined, and subject to geological uncertainties. The risk of accidents is further exacerbated by the use of heavy machinery such as drilling machines and scrapers, which are potentially dangerous in our operations. Furthermore, there is risk associated with the use of hazardous, toxic or flammable raw materials and intermediate products. The storage of such materials near our production facilities and the handling of these materials in the mining and production process pose inherent risks. Our operations also involve the handling and storage of explosives and other dangerous articles, such as cyanide used in gold processing. We have implemented a set of guidelines and rules regarding the handling of dangerous articles, which comply with applicable existing laws, regulations and policies. As the government continues to strengthen the enforcement of safety regulations in relation to the mining industry, there can be no assurance that more stringent laws and regulations regarding production safety will not be implemented or that existing laws and regulations will not be more stringently enforced. In addition, there can be no assurance that accidents arising from the mishandling of dangerous articles will not occur in the future. We may not be able to comply with all existing or future laws and regulations in relation to production safety economically, or at all. Should we fail to comply with any production safety laws or regulations, we may be required to suspend our operations, rectify the production safety problems within a limited period and pay fines.

Our third-party contractors may also encounter accidents, technical difficulties, mechanical failure or breakdown in the mining, processing and exploration activities, as well as possible flooding, mudslides, instability of the slopes, and subsidence of the working areas and the like due to severe weather conditions and natural disasters.

We cannot rule out such risks caused by factors beyond our control. An accident could lead to death or personal injuries and could materially disrupt our mining and manufacturing operations. We may also be subject to business interruptions caused by equipment shutdowns for government investigation or implementation or imposition of safety measures as a result of the accident. Any such accident may also subject us to adverse publicity and damage our brand name and reputation.

RISK FACTORS

We cannot guarantee that safety accidents will not occur at our gold mines in the future. The occurrence of accidents may result in damage to or destruction of production facilities, personal injuries or casualties, environmental damage, business interruption, delays in production, increased production costs, monetary losses and potential legal liability to us. Such incidents may also result in breaches of the conditions for our mining and exploration permits or any other approvals, permits or authorizations, which may result in fines and penalties or even possible revocation of such licenses, approvals, permits and authorizations. Each subsidiary of our Group has established a Safety Production Management Policy, which sets out requirements for organisational safety assurance, hazard identification and rectification, safety management of production processes and systems, on-site operational safety, occupational health management, safety investment, work injury insurance, and incident investigation. Our safety department is responsible for production safety, environmental protection, emergency response and fire safety, and occupational health. Safety personnel are dispatched daily to conduct on-site hazard inspections, and comprehensive safety inspections are carried out weekly and quarterly. If issues are identified during routine inspections, the safety department immediately notifies the responsible personnel to carry out rectification. For issues identified during major inspections, the safety department issues a formal hazard rectification notice to the relevant department, requiring resolution within a specified timeframe. The notice includes details of the issue, corrective measures, deadlines, and the responsible person, and is recorded in the inspection report for that period. We will also conduct quarterly assessments of all employees under the safety production responsibility system, evaluating their fulfilment of safety duties. At the beginning of each year, a safety training plan is formulated, and training is carried out jointly by the safety department and other departments in accordance with the plan. Should we fail to comply with any relevant laws, regulations or policies or should any accident occur, our business, reputation, financial condition and results of operations may be adversely affected, and we may be subject to penalties, civil liabilities or criminal liabilities.

Moreover, our operations may involve the handling and storage of explosives. Although we have set stringent rules in relation to the handling of such items, there is no assurance that accidents will not occur and our operations would not be disrupted or suspended in relation to occupational hazards and production safety. Should we be liable for such accidents, we may be fined and criminal liabilities may be imposed on our employees. In addition, due to the geographic setting and relatively high elevation difference, there is a possibility of localized mud-rock flow which may occur during the rainy season, and a risk of instability of the slopes and subsidence of the working areas. As certain of our mining process requires the use of explosives, any improper storage or use of these materials could result in personal injury or death and other damages. The above risks and hazards may result in personal injury, damage to, or destruction of, properties or production facilities, environmental damages, business interruptions and damage to our business reputation. Further, dust emission from our production process may adversely affect the health of our on-site employees and in extreme cases, it may cause pneumoconiosis or other occupational diseases.

We rely on third-party contractors to conduct certain portion of our business.

During the Track Record Period, we outsourced a portion of our exploration, mining and processing activities to contractors in the regions where our mining properties are located. For the years ended December 31, 2023, 2024 and 2025, we engaged 54, 72 and 66 third party contractors, respectively, to undertake various tasks such as construction, engineering, exploration and mining. As a result, our operations have been affected by the performance of these contractors. Our operations at sites utilizing contractors or contract mining are subject to a number of risks, some that are outside of our control, including, but not limited to, contract risk, execution risk, dispute and litigation risk, regulatory risk and labor risk, which could result in additional costs and liabilities.

We may not be able to control the quality, safety and environmental standards of the works conducted by contractors to the same extent as the works conducted by our own employees. There can be no assurance that the contractors are in full compliance with all relevant laws and regulations, which may subject them to suspension of relevant licenses, approvals, permits and/or authorizations that would adversely and materially impact our operations. Should this happen, we may not be able to engage replacement contractors on similar terms, or at all, in a timely manner. We may become engaged in disputes with our contractors, which could lead to additional expenses, business interruptions, distractions and potential loss of production time and additional costs, any of which could materially and adversely affect our business, financial condition and results of operations. In addition, we may be legally obligated, as an owner of the exploration permit or mining license, to ensure operational safety. In the event of any safety-related accident involving a contractor, we may be held directly liable or liable for compensation to the extent of our faults regardless of any contractual provisions to the contrary. Any failure by contractors to meet any of our quality, safety and environmental standards may result in liabilities to us and could also affect our compliance with government rules and regulations relating to exploration, mining and workers' safety. The occurrence of one or more of these risks could have a material and adverse effect on our business, financial condition and results of operations.

RISK FACTORS

We are subject to risks relating to raw materials and utilities.

Raw material costs, energy consumption costs and labor costs are important components of our operating costs. We regularly monitor the fluctuation in the market price of raw materials and energy and assess its impact on our operations. If there is a shortage of raw materials or energy for any reason or the cost of raw materials and energy increases significantly, our production costs are likely to increase and our profit margin may decrease.

Having an appropriate level of raw materials inventory is pivotal in minimizing the effect of the volatility of raw materials prices and minimizing the risk of obsolescence of our inventory. Any sudden decrease in market demand and the corresponding unanticipated drop in the sales and the prices of the relevant goods or any failure of us in successfully maintaining the flexibility in our raw materials and spare parts supply arrangements could cause our inventory to accumulate or depreciate in value, which may adversely affect our businesses, financial condition and results of operations. While our work-in-progress and finished goods are not exposed to the risk of obsolescence since they do not deteriorate easily, we review our inventory from time to time and make provisions for write-down of inventories when it deems necessary. Assumptions regarding gold price and recovery rate will have impact on the assessment of the value of our inventories.

Electricity and water are the main utilities used in our operations. Electricity is used for most of our business and safety-critical operations, including cooling, hoisting and dewatering. We obtained electricity from various sources, including, without limitation, local state grid, licensed state-owned electricity enterprises, local gas-fired power plants and local state electricity power grid. Any power outage, disruption or shortage in power supply available to our operations could therefore have a material adverse impact on our production and employee safety. For instance, since the Twin Hills Gold Mine in Namibia is subject to extremely high temperature and temperature difference, an increased electrical power demand may lead to power outages. There may be incidents of power cuts in certain areas of the PRC and Namibia. There can be no assurance that our production will not be reduced as a result of the power outages. As of the Latest Practicable Date, all our active mines in China were underground mines. An interruption of electricity supply will materially and adversely affect our production and safety by disrupting operations, including water pumping and ventilation. In addition, we may be subject to penalties if our consumption of electricity exceeds the permissible maximum demand pursuant to electricity supply agreements. Our water supplies are sourced from underground water sources and local water companies. There can be no assurance that we will be granted extension to our water permits should they expire, and if not, we will not be able to continue to access the relevant water resources. Moreover, for certain of our mines that are situated in more remote areas, there can be no assurance that there will be no interruption in electricity or water.

In addition, we need to compete with other natural resource companies for our overseas mining operations, and shortage of critical parts and equipment may adversely affect our operations and development projects. In the event that our existing suppliers cease to supply us with electricity, water, materials or equipment at commercially acceptable prices or at all, our operations will be interrupted, and our business, financial condition and results of operations will be materially and adversely affected.

We regularly monitor the fluctuations in market prices for the materials used in our operations. However, there can be no assurance that such supplies will not be interrupted or that their prices will not increase in the future. Additionally, if the materials, equipment and services provided by our suppliers do not meet our requirements or specifications, it may lead to production disruptions, safety incidents, legal disputes and financial losses. Furthermore, we may face the risk of delay in international procurement. We cannot assure that our suppliers will not encounter delays during the customs clearance process. Such unforeseen hold-ups can disrupt our supply chain, potentially leading to production setbacks and increased costs. The complexity of international logistics, regulatory compliance, and geopolitical factors all contribute to the inherent uncertainty in the timely delivery of critical components and materials necessary for our operations. Consequently, any disruption in the flow of goods across borders could adversely affect our ability to meet market demands and maintain our competitive edge, which could impact existing profit margins and have a material adverse effect on our business, financial condition and results of operations.

We may fail to maintain our current financial performance, particularly with respect to our AISC.

In the mining industry, operations such as enhanced exploration and the initiation of mining activities, along with fluctuations in labor and raw material costs, and the growing stringency of environmental regulations, may increase our costs, including both capital cost and operating costs. Our historical AISC performance is not indicative of future results, and the inherent risks associated with cost management in our industry could materially affect our financial outlook. Factors beyond our control, such as fluctuations in commodity prices, changes in production costs, and unforeseen operational disruptions, may lead to an increase in our cost structure. Any such increase could adversely affect our financial results and market position, potentially diminishing our comparative advantage in the industry.

RISK FACTORS

We face certain risks and uncertainties beyond our control from man-made and natural disasters, diseases or public health emergencies that may adversely impact our business and operations.

Our business operations are subject to certain risks and uncertainties, some of which are beyond our control. These risks and uncertainties mainly include: major catastrophic events and natural disasters, including earthquakes, fires, floods, landslides, drought, snowstorms, sandstorm, mudslides and other hazardous weather conditions which may cause the instability of slopes and subsidence of working areas in our mines, power, water or fuel shortages, critical equipment failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or are susceptible to potential wars or terrorist attacks; geological or mining conditions such as instability of the slopes and subsidence of the working areas; unexpected or periodic interruptions due to inclement or hazardous weather conditions; disruptions or shortages of water, power or fuel supply; industrial or manmade accidents occurring in connection with our mining or ore processing operations; and critical equipment failures, malfunction and breakdowns of information management systems, unexpected maintenance or technical problems; acts of war; terrorism; and threats from epidemics. Serious natural disasters may result in loss of lives, injury, destruction of assets. Epidemics threaten human lives and may materially and adversely affect their livelihood as well as their living and consumption patterns. Natural disasters, acts of war, terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Any of these risks and uncertainties could materially and adversely affect our business, financial condition, and results of operations.

Any negative publicity regarding our Directors, employees or products and us, regardless of its nature or veracity, could adversely affect our business.

Our brand and our image are sensitive to the public’s perception of us, which includes not only the quality of our products, but also our corporate management and culture. We cannot assure that no one will, intentionally or incidentally, disseminate information about us, including the quality of our products, our internal management matters and negative information for management, that may result in negative perception of us by the public. Although we will promptly take clarification or rectification measures if we face negative publicity, we cannot assure you that such measures will always be effective. In addition, as a listed company, we and members of our management or employees are under the supervision of securities regulatory bodies and subject to certain regulatory inquiries and penalties. Any negative publicity about our Directors, employees, spokespersons or products and us, regardless of nature or veracity, could lead to potential loss of customers or investors’ confidence or difficulty in retaining or recruiting talents that are essential to our business operations. As a result, our business, financial condition, results of operations, reputation, and prospects may be materially and adversely affected.

We license all of the material trademarks used in our business from SDG Group.

The primary trademarks we use in our business, including “SD-GOLD” and “山東黃金”, are licensed to us by SDG Group at a total consideration of RMB0.2 million per annum until December 7, 2027. We cannot guarantee that SDG Group will not breach the license agreement, or that the license agreement will not be terminated for other reasons. In such event, we may no longer be able to use such trademarks in our business, and our business, financial condition and results of operations will be materially and adversely affected.

Moreover, our SDG Group, is a large, state-owned conglomerate with significant interests in diverse industry sectors, including mining, finance and real estate. It also licenses the use of the “SD-GOLD” and “山東黃金” trademarks to other members of the SDG Group. If these entities take any action that damages the “SD-GOLD” brand name, or any material negative publicity is associated with them, our reputation, business, growth prospects, results of operations and financial condition may be adversely affected.

We may face difficulties in obtaining financing on favorable terms, or at all.

Our mining, production and exploration activities are highly capital intensive. During the Track Record Period, we had funded our working capital and capital expenditure primarily through cash flow from operations, bank and other loans. As our capital expenditure may become higher than the [REDACTED] from our [REDACTED], such [REDACTED] may not be sufficient to cover our capital expenditure. To fund our ongoing operations, existing and future capital expenditure requirements, investment plans and other financing requirements, we may need access to additional financing from external sources in addition to internal sources of liquidity.

Obtaining additional funding will be subject to various factors, including general market conditions, investor acceptance of our business plans, lenders’ perception of our creditworthiness, the global and local economies, regulations that affect the availability and costs of financing, and ongoing results from our construction and commissioning efforts. Any disruptions, uncertainty or volatility in the capital and credit market resulting from any global financial crisis may also limit our ability to obtain financing to meet our funding requirements. These financings could require contractual or other restrictions on our operations or on alternatives that may be available to us. If we raise additional funds by issuing debt securities, these debt securities could impose significant restrictions on our operations. Any such required financing may not be available in amount or on terms acceptable to us, and the failure to procure such required financing could have a material and adverse effect on our development plan and continuous growth.

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If we are unable to raise adequate funds, we may have to delay some of our development projects or expansion plans therefore affecting our profitability in the short and long term. If we do not have, or are not able to obtain, sufficient funds, we may be required to delay further development or commercialization of our resources. Any of these factors could harm our operating results.

We are subject to risks related to our trading activities and relevant market risks.

During the Track Record Period, in addition to our mining operations, we are also engaged in the trading of metals. For the years ended December 31, 2023, 2024 and 2025, revenue generated from trading operations accounted for 43.7%, 56.9% and 58.4% of our total revenue, respectively. Despite the significant contribution to revenue, the gross profits derived from trading activities remained minimal. Moreover, in order to manage price volatility in gold and other non-ferrous metals, we have mainly implemented hedging strategies through commodity futures and options contracts. Fair value gains arising from these instruments were recorded as other gains in our consolidated statement of profit or loss. As of December 31, 2023, 2024 and 2025, we recognized derivative financial assets related to other non-ferrous metal derivatives contracts amounting to RMB11.0 million, RMB1.9 million and RMB5.5 million, respectively. The fair value gains on these contracts were determined based on the difference between the forward sales price stipulated in the futures contracts and the prevailing market forward price of the underlying metals.

Changes in metal price may affect the effectiveness of our trading operations. Metal price has been fluctuating in the global market, and we will continue to assess whether to enter into further trading activities. Trading operations can reduce the impact of price volatility but also means we might not benefit from favorable price movements.

In addition, while the financial instruments we leveraged for trading operations can mitigate certain market risks, they also expose us to a range of financial and operational risks including:

- **Market risk:** Adverse movements in metal prices may result in losses on derivative positions, potentially offsetting gains from physical sales.
- **Liquidity risk:** Certain derivative markets may lack sufficient liquidity, which could impair our Company’s ability to adjust or close positions in a timely manner.
- **Counterparty risk:** In over-the-counter transactions, we may be exposed to the risk of counterparty default, which could lead to financial loss.
- **Operational risk:** The use of derivatives involves complex valuation, settlement, and risk management processes. Inadequate internal controls or insufficient expertise may result in erroneous trades or compliance breaches.
- **Regulatory risk:** Derivatives markets are subject to evolving regulatory frameworks across jurisdictions. Changes in applicable laws or reporting requirements may impact our trading activities or increase compliance costs.

Any material adverse impact from derivative trading could negatively affect our financial condition and operating results.

The carrying value of our mining and exploration rights may incur impairments, which may adversely affect our results of operations.

We incur amortization expenses related to our mining rights. As of December 31, 2023, 2024 and 2025, we had intangible assets of RMB6,053.4 million, RMB8,054.3 million and RMB7,884.7 million, respectively, mainly representing the net carrying amount of our exploration and mining rights. Mining rights are stated at cost less accumulated amortization and any impairment losses. Mining rights cover the costs of getting mining licenses and exploration rights. They also include expenses for exploration and evaluation assets when a property is ready for commercial production, as well as the costs of acquiring interests in the reserves of existing mining sites. The mining rights are amortized in accordance with the production plans of the entities concerned and the appropriate portion of resources of the mines using the units-of-production method. Mining rights are written off to profit or loss if the mining property is abandoned.

Proved mineral reserves are estimated based on professional knowledge, experience and industry practice. Generally, reserves estimated based on probing and estimation may not be very accurate, which may be updated in accordance with new technologies and new information. Any changes in estimation will have impacts on the amounts of mining assets’ depreciation and mining rights’ amortization using the units-of-production. Any material decrease in the amount of our reserves and resources for our mine or changes to our production plans may result in impairment of the carrying value of our mining rights and related assets or results in a recognition of impairment losses related to our intangible assets, which may have a material adverse effect on our business, financial condition and results of operations. Our depreciation expense is determined based on estimates, including management’s assumptions and historical data. Should these estimates prove inaccurate, our financial condition and operating results could be adversely affected.

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Our operational costs may be materially adversely affected by inflation in China and abroad.

Our business has been, and may continue to be, directly affected by inflationary pressures. Inflation can lead to increased costs across various aspects of our mining operations, including labor, energy, equipment and raw materials, which are critical components of our mining operations and are essential for maintaining efficient and profitable operations.

In general, inflationary pressures can exacerbate existing economic challenges, leading to higher operational costs and reduced profitability. The cost of labor and energy, as well as imported goods and services, may rise, impacting our ability to maintain competitive production costs. Additionally, inflation can lead to (i) increased interest rates, affecting our financing costs and capital expenditure plans; (ii) increased compliance costs and wage pressures, due to stringent labor laws; (iii) higher costs for equipment and materials, impacting our capital expenditure and operational budgets; and (iv) currency fluctuations, affecting the value of our revenue and financial stability. There can be no assurance that we can successfully monitor inflation and implement cost-control measures against inflation, or that any such strategies will be fully effective, and unforeseen inflationary events could adversely affect our operations.

We are exposed to credit risk in relation to defaults from customers or counterparties.

We trade only with third parties who we believe to be reputable. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis to ensure that our exposure to bad debts is not significant. As such, we do not obtain collateral in our ordinary course of dealings. However, there can be no assurance that all of our counterparties are creditworthy and reputable and will not default on us in the future. Credit risk is managed centrally based on customers or counterparties, geographic regions and industries.

The credit risk associated with our certain financial assets and contract assets, such as commercial acceptance bills receivable, trade receivables, other receivables and certain derivative instruments, arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments. Our maximum exposure to credit risk at each end of the Track Record Period is the total amount charged to the customers less the amount of the impairment provision. Since we trade only with recognized and creditworthy third parties, there is no requirement for collateral, nor do we hold any collateral or other credit enhancements over our trade receivable balances. Failure of our counterparties to fulfill their obligations to us under our contracts may materially adversely affect our financial condition and results of operations.

We are subject to risks related to exchange rate fluctuations.

A significant majority of our revenue, operating costs and expenses are, and are expected to be, denominated in Renminbi. Since the trend in gold price in Renminbi is generally consistent with the trend in international gold price, which is denominated in U.S. dollar, our earnings may be materially affected by a material change in the Renminbi/U.S. dollar exchange rate. For example, if the U.S. dollar weakens materially relative to the Renminbi, our revenue may be materially and adversely affected and as a result, our consolidated financial results could be materially and adversely affected.

We rely on information technology and communications systems, the failure of which may significantly and adversely impact our operations and business.

Our information technology and communications systems could be exposed to, among other things, damage or interruption from telecommunications failure, unauthorized entry and malicious computer code, fire, natural disaster, power loss, industrial action and human error. While we have backup systems in place, the occurrence of any of the above may also disrupt our information technology and communications systems and may lead to important data (including geophysical and geological data) being irretrievably lost or damaged. Such damage or interruption may adversely affect our business, financial condition and results of operations.

Our insurance coverage may be inadequate to satisfy potential claims.

Mining, exploration and production activities involve numerous risks, including unexpected or unusual geological conditions, fire, floods, earthquakes, severe weather conditions, other environmental occurrences and political and social instability. These risks can result in, among other things, damage to and destruction of mining assets or production facilities, personal injury, environmental harm, financial losses and legal liability.

We maintain insurance for our operations in line with industry practice in the China and Namibia. In China, we maintain social insurance for our employees, which includes work accident insurance. We maintain additional accident insurance for our employees engaged in mining activities and life insurance for our employees handling gold products. We also maintain property insurance of our assets, including equipment and machinery. However, in line with industry practice in China, we have elected not to maintain certain types of insurances, such as business interruption insurance or key man insurance. In Namibia, we maintain insurance in accordance with Namibian laws and regulations, including but not limited to all environmental liability insurance required thereunder. Our existing liability insurance contains exclusions and limitations on coverage. In addition, insurance may not continue to be available at economically acceptable premiums. As a result, in the future, our insurance coverage may not cover the extent of claims against it, including, but not limited to, claims for environmental or industrial accidents, occupational illnesses or pollution or any cross-claims made.

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Our operations are subject to risks relating to geopolitical tensions, sanctions, tariffs and export controls, which could have a material adverse effect on our business, financial condition, and results of operations.

Our business, financial condition and results of operations may be materially and adversely affected by rising geopolitical tensions, changes in global trade policies, the imposition of economic sanctions, and export control restrictions. Increasing global and cross regional political tensions have contributed to uncertainty in international trade, investments and economic activity. Such developments may negatively affect the economic, political and social conditions in the jurisdictions in which we operate, reduce the availability of financing, disrupt supply chains and affect the ability of our customers and business partners to meet their obligations. Any tightening of credit in global financial markets could also limit our ability to obtain financing for our capital requirements on acceptable terms.

Recent geopolitical events, including the Russia Ukraine conflict and tensions in the Middle East, have resulted in the imposition of sanctions and export control measures by various jurisdictions, including the United States, the European Union and the United Kingdom. Sanctions laws and related regulatory frameworks evolve rapidly, and additional persons, entities or regions may become subject to restrictions without prior notice. Although we are not currently subject to any sanctions, we engage with counterparties in the global commodities market and cannot assure you that our operations, the regions where we operate or our counterparties will not be affected by sanctions or export control measures in the future. If we or our counterparties become subject to sanctions, we may experience frozen assets, restricted market access, loss of commercial relationships, higher compliance costs and reputational harm, any of which could materially and adversely affect our business.

Our business is also subject to tariffs and other trade protectionist measures. We conduct mining and trading activities across multiple jurisdictions, including China, Namibia and Singapore. Cross border shipments of gold, silver and other mineral products may be subject to tariffs, customs duties and changes in trade policies. Any imposition of new tariffs, increases in existing tariffs or other trade barriers could raise our operating costs, reduce the competitiveness of our products and depress demand. Trade disputes between major economies may also disrupt supply chains and impede the flow of our products, which could adversely affect our business and profitability.

In addition, our operations are subject to export control regulations in the jurisdictions where we operate, including China, Singapore, Canada and Namibia. These laws may restrict or prohibit the export, sale or transfer of certain products, services or technologies to sanctioned or embargoed countries, governments, persons or entities. Namibia has strict export control restrictions governing the export of gold, which are primarily set out in the Minerals (Prospecting and Mining) Act of 1992 and administered by the Ministry of Mines and Energy and the Namibia Revenue Agency. Any failure to comply with applicable export control or sanctions laws could result in substantial monetary fines, seizure of shipments, denial of export privileges, criminal liability, regulatory investigations and reputational damage. Such developments may also lead customers, suppliers or financial institutions to cease dealing with us, which could materially and adversely disrupt our operations, reduce our revenues and negatively affect the trading price of our shares.

We rely on the continued service of our senior management and technically skilled employees, and we may experience labor shortages, disputes, unrest or strikes.

Our ability to operate or expand effectively depends largely on the experience, skills and performance of our senior management team and technically skilled employees. We rely on the expertise, experience and leadership of our directors and senior management. Their extensive knowledge and experience in the mining industry, extensive managerial experience, as well as their established relationships with our customers and their experience dealing with local government authorities, have played a major role in our attainments. Additionally, the market for employees with industry experience and technical skills can be highly competitive. There can be no guarantee that the services of our senior management and a sufficient number of technically skilled employees in China and Namibia will continue to be available to us. If one or more of our senior management and other key personnel are unable or unwilling to continue to serve in their present positions, we may not be able to replace them with qualified personnel in a timely manner. Any senior management departures or unavailability (due to death, injury, illness or other reasons) or technically skilled worker shortages could adversely affect our operational efficiency and production levels. We may be unable to hire or retain appropriate management personnel or technically skilled employees or may have to pay higher levels of remuneration than we currently project and intend. In particular, qualified personnel may be scarce in some or all of the regions where our mines are located. If we are unable to hire and retain appropriate management and technically skilled personnel, or if there are inadequate succession plans in place, our business may be materially and adversely affected.

In addition, we may be involved in labor disputes and experience labor unrest or strikes in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, our Group was not involved in any material labour disputes, including termination of employment contracts or work injury compensation. During the Track Record Period, we had not been involved in any material labor disputes, including termination of employment agreements, work-related injury compensation, etc, which we believe would materially and adversely affect our business operations and financial performance. There can be no

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guarantee that labor disputes, unrest or strikes will not occur in the future. In the event that we experience such incidents, our mining activities and production levels may be disrupted, which may have a material and adverse effect on our business, financial condition, results of operations, reputation and future prospects.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial, export control regulations and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and export control regulations and similar laws and regulations in various jurisdictions in which we conduct activities. If we fail to comply with anti-corruption, anti-bribery, anti-money laundering, financial and export control regulations and similar laws and regulations, we could be subject to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, financial condition and reputation. During the Track Record Period and up to the Latest Practicable Date, our Group was not involved in any material violations relating to anti-corruption, anti-bribery, anti-money laundering, financial regulations, or export controls, and there were no pending investigations or legal proceedings in these areas. We are also not aware of any regulatory authority having initiated investigations against us for fraud or other misconduct. Any violation or even an alleged or suspected violation could harm our reputation and cause our suppliers, customers, financial institutions or other counterparties to refuse to do business with us, which may negatively affect our business, our results of operations, or the trading price of our Shares.

We may not be able to detect and prevent fraud or other misconduct committed by our employees, representatives, agents, customers, external contractors, or other third parties.

We may be exposed to fraud or other misconduct committed by our employees, representatives, agents, customers, or other third parties that could subject us to litigation, financial losses and sanctions imposed by governmental authorities, which may affect our reputation. While our internal control procedures are designed to monitor our operations and ensure overall compliance, such procedures may not be able to identify all incidents of non-compliance or suspicious transactions in a timely manner, or at all.

In the course of our trading business, settlement with downstream customers is effected upon transfer of paper documents or physical metals. We rely on independent third-party warehousing service providers to store goods and issue paper documents certifying title to the stored goods. However, such trading model may expose us to uncertainties and fraud risks involving third-party warehouses. See “Business — Legal Proceedings and Compliance.” If we fail to detect unusual or fraudulent behavior of such third parties (e.g., false issuance of warehousing documents, misrepresentation of goods storage status) through our existing due diligence or oversight procedures, we may suffer losses relating to the misappropriation or non-delivery of goods. In addition, any such fraud may require us to devote significant time, human resources and financial resources to respond, including conducting internal investigations, preparing for litigation or criminal proceedings, and engaging legal counsel in disputes. Furthermore, even if the relevant criminal prosecution concludes favorably, there is significant uncertainty as to our ability to recover the full amount of losses incurred from such fraud, including the value of undelivered goods, litigation costs and indirect losses from disrupted trading activities. It is also uncertain whether the party responsible for the fraud has sufficient financial ability to compensate us for the full amount of any awarded damages. Any such fraudulent activities by third parties may have a adverse effect on our reputation, thereby affecting our business, financial condition and results of operations.

Furthermore, it is not always possible to detect and prevent fraud and other misconduct. The precautions we take to prevent and detect such activities may not be effective. If such fraud or other misconduct does occur, it may cause negative publicity and could adversely affect our business, financial condition and results of operations. As of the Latest Practicable Date, we were not aware of any ongoing enquiries or investigations by any relevant regulators, agencies or authorities in relation to fraud or other misconduct allegations against us. Any adverse media coverage against us may have a material adverse effect on our reputation, thereby affecting our business, financial condition and results of operations.

Our risk management and internal control systems may not fully protect us against various risks inherent in our business.

We have established risk management and internal control systems consisting of the relevant organizational framework policies, risk management policies and internal control procedures to manage our risk exposures, primarily our operational risk, legal risk and liquidity risk. However, during the Track Record Period, there were deficiencies in our internal control and corporate governance measures in relation to anti-fraud management, procurement management, HR management, and payment control. We need to continuously improve our internal control systems and fix such deficiencies, failure of which may cause losses from both a financial perspective and regulatory perspective. Moreover, we may not be successful in implementing our risk management and internal control systems. While we seek to continue to enhance such systems from time to time, there can be no assurance that our risk management and internal control systems are

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adequate or effective notwithstanding our efforts, and any failure to address any potential risks and internal control deficiencies could materially and adversely affect our business, financial condition and results of operations.

Since our risk management and internal control systems depend on their implementation by our employees, there can be no assurance that all of our employees will adhere to such policies and procedures, and the implementation of such policies and procedures may involve human errors or mistakes. Moreover, our growth and expansion may affect our ability to implement stringent risk management and internal control policies and procedures as our business evolves. If we fail to timely adopt, implement and modify, as applicable, our risk management and internal control policies and procedures, our business, financial condition and results of operations could be materially and adversely affected.

We have employed an independent internal control consultant to assess our internal control system in connection with the [REDACTED]. The internal control consultant has conducted a review procedure on our internal control system in certain aspects, including financial reporting and disclosure controls, corporate level controls, information system control management and other procedures for our operations. We had improved our internal control system by adopting and implementing the corresponding enhanced internal control measures. The internal control consultant conducted follow-up reviews on our enhanced internal control measures, and did not have any further recommendations in their review. Going forward, we will continue to regularly review and improve these internal control policies, measures and procedures. Based on the above, the Directors are of the view, and the Joint Sponsors concur, that the enhanced internal control measures are sufficient and effective for our operations. Going forward, we will continue to regularly review and improve our internal control policies, procedures, and practices. However, we may not be successful in implementing our internal control and risk management systems. While we seek to continue to enhance such systems from time to time, we cannot assure you that our internal control and risk management systems are adequate or effective notwithstanding our efforts, or material deficiencies in our internal control system will not be discovered in the future.

We cannot guarantee that we will not be involved in claims, disputes, and legal proceedings in our ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, health and safety accidents, environmental matters, breach of contract, employment or labor disputes and infringement of intellectual property rights. During the Track Record Period and up to the Latest Practicable Date, our Group was not involved in any litigation or legal proceedings in the PRC and abroad that may have a material adverse impact on our business or operating results. As of the Latest Practicable Date, we were not involved in any litigations and legal proceedings in the PRC that may materially affect our business and results of operations. Moreover, as of the same date, we were not involved in any litigations and legal proceedings in Namibia and Singapore that may materially affect its business and results of operations. Any of such legal claims or proceedings may have an influence on our rights to explore or mine. Moreover, claims, disputes or legal proceedings initiated by us or brought against us, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. Furthermore, claims, disputes or legal proceedings against us may be due to defective supplies sold to us by our suppliers, who may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

We are subject to regulatory risks with respect to tax compliance regulations and policies.

Mining companies may encounter significant risks stemming from changes in tax policies, adjustments in resource tax rates, as well as potential modifications to corporate income tax and value-added tax exemptions, and others, could adversely affect our profitability. These changes may lead to increased operational costs and reduced margins, impacting our financial performance and strategic planning. As tax policies are subject to governmental review and alteration, we must remain vigilant and adaptable to ensure compliance and mitigate potential financial repercussions. It is crucial for us to continuously monitor legislative developments and engage with policymakers to advocate for favorable tax conditions that support sustainable mining operations.

In the ordinary course of business we may be subject to inquiries, reviews, claims, assessments or other regulatory actions conducted by relevant tax or revenue authorities in the jurisdictions in which we operate. We may be subject to additional tax or duty liabilities, or increased statutory royalties in relation to our operations, as a result of any unfavorable decisions made by such relevant tax or revenue authorities, which may result in investigations, fines, and/or administrative penalties, and materially and adversely affect our business, financial position and results of operations. Such regulatory actions may also divert our management's attention and other resources, especially if they are not resolved in a timely manner. For example, we carried out certain intra-group transactions during the Track Record Period, and our profit allocation and income tax positions in connection with such transfer pricing arrangements are subject to the interpretations by relevant tax authorities of applicable tax law as well as applicable rules and regulations with respect to transfer pricing in relevant jurisdictions. Our transfer pricing arrangements during the Track Record Period principally concerned related-party transactions in mineral product sales and purchases, which accounted for approximately 99% of all such transactions, supplemented by a limited number of fund financing and service arrangements. See “Business — Transfer Pricing and Taxation.” There is no assurance that the respective tax authorities would not challenge the appropriateness of our historical transfer pricing arrangements or that the relevant regulations or

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standards governing such arrangements will not be subject to future changes. If a competent tax authority later determines that the transfer prices and the transaction terms that we have adopted as well as our historical income tax provisions and accruals are not appropriate, such authority may require the relevant subsidiaries to re-assess the transfer prices and re-allocate the income or adjust the taxable income. If we are considered not to be in compliance with the applicable transfer pricing rules and regulations, the relevant tax authority may also have the power to order us to pay all outstanding tax and statutory interest and/or fines.

We have not obtained title certificates for some of our properties and have not completed registration procedures for some of our leased properties, which could materially and adversely affect our right to use such properties.

We have certain title defects relating to the lands or properties that we own or use. For example, we were unable to obtain real estate ownership certificate for some of our properties. These buildings are primarily used for operational purposes at Yulong Mining and Heihe Luoke, including offices, workshops, dormitories, machine rooms, and equipment rooms. According to our PRC Legal Advisor, the absence of ownership certificates is primarily due to the location of the buildings outside designated urban planning zones, where planning permits are not issued under applicable laws. Yulong Mining and Heihe Luoke Mining have operated safely and normally on the lands since its construction and obtained land use rights for the underlying land and have been using the buildings without administrative penalties. As advised by our PRC Legal Advisors, if we are subject any penalties to such properties without title certificates, we are exposed to the risk that the competent construction department may impose a fine of not less than 1% but not more than 2% of the construction project contract price. However, written confirmations have been issued by the competent planning and construction authorities acknowledging the status of these properties and confirming that we have not received any penalties in relation to such properties and that there are no legal disputes with the competent authorities in respect of our right to continue to use the land or properties. Our Group has not been subject to any legal claims or proceedings in relation to these properties that may affect its exploration or mining rights. As advised by our PRC Legal Advisor, the risk that the properties for which our Company has not obtained real estate ownership certificate being ordered to be demolished by the competent authorities is relatively low on the grounds that (i) Yulong Mining and Heihe Luoke have obtained the land use rights in respect of the land where the relevant buildings are located. The reason why they are unable to obtain the real estate ownership certificates is mainly that the buildings are located outside the urban and rural planning areas, and the planning department does not grant planning permits to buildings located outside the urban and rural planning areas in accordance with relevant laws and regulations; (ii) Yulong Mining and Heihe Luoke have been using the relevant buildings normally and have not been subject to any administrative penalties in connection therewith. The Company confirms that Yulong Mining and Heihe Luoke are still using such buildings normally at present and plan to continue to use them in the future, and such circumstances have not had a material adverse effect on the Company's production and operation; and (iii) the competent planning and housing construction authorities of Yulong Mining and Heihe Luoke have issued written certificates or reply letters confirming our valid land use rights in the land, and the reasons why no real estate ownership certificates could be granted to us for the aforementioned reasons. What is more, as advised by our PRC Legal Advisors, the risk of us facing claims by third parties in respect of the properties on such land is also relatively low, on the grounds that (i) the relevant properties for which we have not obtained title certificates are situated within the land in respect of which the Group holds valid land use rights, with clear ownership; (ii) we have been using such properties normally since their completion; and (iii) the relevant defective properties do not involve any third-party rights, and there have been no disputes or controversies in relation to the ownership of such land with any third parties. Given the low risk of third-party claims or regulatory orders to vacate or demolish the properties, and their continued usability, our Group does not currently intend to identify alternative premises. Moreover, certain leased properties have not undergone lease registration filings and are used for office, storage, and accommodation purposes. Pursuant to Article 706 of the Civil Code of the People's Republic of China, the validity of lease contracts is not affected by the absence of registration filings. Accordingly, our Group's lease arrangements remain valid and enforceable. As advised by the PRC Legal Adviser, the risk of being subject to material administrative penalties for failing to register or file the lease agreements is relatively low. Under the applicable PRC laws and regulations, the parties to a lease are required to register and file such lease with the relevant government authorities. As of the Latest Practicable Date, 23 of our leased properties had not been registered or filed. As advised by our PRC Legal Advisor, while the lack of registration and filing will not affect the validity of the leases under PRC laws and regulations, we may be ordered by the relevant government authorities to register and file the relevant leases within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. As such, in respect of the 23 unregistered and unfiled lease properties in total, the aggregate maximum penalty we may be subject to is RMB230,000. As of the Latest Practicable Date, we have not received any order for rectification within a specified time limit from the competent authorities in relation to such unregistered and unfiled lease properties, and we confirm that we will promptly rectify upon receipt of any such requirement in the future. Accordingly, as advised by our PRC Legal Advisors, the risk of us being subject to any material administrative penalties in this regard is low. There can be no assurance that we will not be subject to challenges, lawsuits or other actions taken against us with respect to the lands or properties owned, used or leased by us for which we or the relevant lessors do not hold perfected title certificates or fail to complete relevant registration procedures. Furthermore, we may be subject to fines and penalties imposed by government authorities with respect to certain title defects.

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RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS IN WHICH WE OPERATE

The economic landscape is subject to change and the future performance of economy where we operate is uncertain.

As we continue to expand our operations overseas, changes or instability affecting the economic, political or social environment, especially in the PRC and Namibia or in its neighboring countries could materially and adversely affect our operations and profitability. The PRC and Namibia economies are subject to changes in a manner that may be materially adverse to us, including changes to government policies and regulations governing mining production, foreign investment, price controls, import and export control, tariffs, subsidies, income and other forms of taxation (including policies relating to the granting of advance rulings on taxation matters), nationalization or expropriation of property, repatriation of income, royalties, the environment and health and safety.

In recent years, the Russia-Ukraine conflict and the recent tension in the Middle East have caused disruption to the global economy, which may in the future continue to have an impact on the global economy. Any significant slowdown in the global economy could have a material adverse effect on our business and operations. In particular:

- during a period of economic slowdown, there is a greater likelihood that more of our customers or contractual parties could become delinquent in respect of their obligations to us;
- we may not be able to raise additional capital on terms that are commercially favorable to us, or at all; or
- trade and capital flows may further contract as a result of protectionist measures introduced in certain markets, which could cause a further slowdown in economies and materially and adversely affect our business and prospects.

In addition, factors such as consumer, corporate and government spending, business investment, volatility of the capital markets and inflation all affect the business and economic environment, the growth of the Chinese mining industry and ultimately, the profitability of our business. Our labor and other costs may also increase due to pressure from inflation. Any future calamities, such as natural disasters, outbreaks of contagious diseases or social unrest, may cause a decrease in the level of economic activities and adversely affect the economic growth in China, Asia, Africa and elsewhere in the world.

Occurrence of any of the above-mentioned developments could result in our operations experiencing opposition or disruptions. Such opposition or disruption to any of our operations, in particular if it has an adverse impact or cost or causes any stoppages (including, for example, as a result of any protests aimed at government and other mining operations that affect operations), could have a material and adverse effect on our business, financial condition and results of operations.

We are subject to country-specific risks relating to our operations in Namibia.

Our operations in Namibia are subject to significant country risks, including political, economic, social and security-related uncertainties, any of which may materially and adversely affect our business, financial condition and results of operations. In Namibia, we are exposed to risks of expropriation or nationalization. Major credit rating agencies in recent years have downgraded or maintained relatively low sovereign credit ratings for Namibia. Actual or expected downgrades of Namibia’s sovereign credit rating to non investment-grade status may reduce investor confidence, widen credit spreads, increase borrowing costs and tighten credit conditions, which have adversely affected the Namibian economy and its gold mining industry. As we operate in Namibia, such developments may make it more difficult or costly for us to secure external financing and may require us to accept more restrictive financing terms.

Our gold mining operations in Namibia are subject to the country’s regulatory requirements governing mineral exports. All exports of gold must obtain prior approval and an export license from the Ministry of Mines and Energy and are subject to a 1% export levy. While there are no restrictions on the volume being export of metals, any failure to secure timely export approvals, changes in export licensing policies, increases in applicable tax or levy rates, or the introduction of new restrictions on mineral exports could increase our compliance costs and materially and adversely affect our liquidity, cash flows, results of operations and business development in Namibia.

Security incidents could also occur in areas where we operate. Any safety incidents may disrupt our operations, increase costs and negatively affect our reputation and financial performance. In addition, Namibia faces a skills deficiency across many sectors, including mining, and we face competition from other mining companies for employees with the technical, managerial and operational experience necessary to support our business. Difficulty attracting or retaining qualified personnel may constrain our operational efficiency and growth.

Economic, political and social conditions in and around Namibia may also adversely affect our operations. Regional political instability and civil unrest in neighboring countries, such as Angola and Zimbabwe, may pose spillover risks that lead to supply chain disruptions, cross-border insecurity, or volatility in commodity prices, exchange rates, interest rates and regulatory conditions. Namibia’s financial and securities markets are influenced by global economic conditions and are vulnerable to external shocks. Adverse developments affecting its major trading partners, including the PRC and the United States, may materially

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impact Namibia’s balance of trade and overall economic performance, which, in turn, could negatively affect our operations. Investor sentiment toward one emerging market can also affect capital flows into other emerging markets, including Namibia, potentially resulting in reduced liquidity, lower asset valuations and financing constraints. Consequently, there can be no assurance that Namibia’s financial system or securities markets will not continue to be affected by events in other regional or global markets, which could adversely impact Namibia’s economy and, as a consequence, our financial condition, results of operations and prospects.

It may be difficult for the Hong Kong regulators to obtain information or call for regulatory assistance in Namibia where circumstances necessitate in the course of overseeing us as a listed company by the regulations in Hong Kong.

Our Directors and our Company, which will be regulated by the SFO and other applicable laws and regulations in Hong Kong upon [REDACTED], will be required to provide the SFC with all information relating to our business in Namibia that is necessary for its investigation of our affairs as may be required under Hong Kong laws or regulations. However, as Namibia has not signed any regulatory cooperation agreement or memorandum of understanding with the SFC or the Hong Kong Stock Exchange, and as the Namibia Financial Institutions Supervisory Authority (“NAMFISA”) is only an associate member of the International Organization of Securities Commissions (“IOSCO”) and not a signatory to the IOSCO Multilateral Memorandum of Understanding (“IOSCO MMOU”), it may be difficult for the Hong Kong regulators to obtain information or request regulatory assistance in Namibia where circumstances necessitate such action in the course of overseeing us as a listed company under Hong Kong regulations.

IOSCO membership status directly affects the level of regulatory cooperation that can be expected. Ordinary members of IOSCO, who are signatories to the IOSCO MMOU, are legally bound to share information and provide assistance to other regulators, which greatly facilitates cross-border investigations and enforcement. In contrast, associate members like NAMFISA are not signatories to the MMOU and are not legally obligated to cooperate or share information; any cooperation is voluntary and may be limited in practice. This creates a higher level of regulatory risk compared to jurisdictions whose regulators are ordinary members and MMOU signatories. Furthermore, jurisdictions that are not members of IOSCO at all pose an even higher level of regulatory risk, as they fall entirely outside the IOSCO framework. In such cases, there is no structured mechanism for regulatory cooperation or information exchange, which can significantly hinder the SFC’s ability to conduct investigations or enforce compliance. While Namibia’s associate membership provides some engagement with international regulatory standards, it does not offer the same level of assurance or cooperation as full IOSCO membership, and is only marginally less risky than being a non-member.

Although we continue to grow our operations in our core markets and expand our presence into further global jurisdictions, we will continuously monitor our local business operations and business expansion in Namibia on an ongoing basis. Our management will also report periodic information of the revenue generated by our operating entities in Namibia to our Board of Directors. We will take necessary steps with respect to access to our Namibian operating entities’ books and records and fully cooperate with regulatory requests in order to facilitate the Hong Kong Stock Exchange and the SFC’s access to information of these operating entities based abroad.

Implementation and enforcement of the labor laws and regulations in the jurisdictions in which we operate may adversely affect our business and results of operations.

As we operate in the PRC, Singapore, and Namibia, failure to fully comply with PRC, Singapore, and Namibia labor-related laws may expose us to potential liabilities and penalties. Pursuant to the PRC Labor Contract Law (中華人民共和國勞動合同法) that took effect in January 2008, with its amendment that took effect in July 2013, and its implementation rules that took effect in September 2008, (the “**Labor Contract Law**”) employers are subject to strict requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees’ probation and unilaterally terminating labor contracts. Due to lack of detailed interpretative rules and broad discretion of the local competent authorities, it is uncertain as to how the Labor Contract Law and its implementation rules will affect our current employment policies and practices. Our employment policies and practices may violate the Labor Contract Law or its implementation rules, and we may thus be subject to related penalties, fines or legal fees. Compliance with the Labor Contract Law and its implementation rules may increase our operating expenses, in particular our personnel expenses. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may also limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

On October 28, 2010, the Standing Committee of the NPC promulgated the PRC Social Insurance Law (中華人民共和國社會保險法), which became effective on July 1, 2011 and was amended on December 29, 2018 and took effect on the same date (the “**Social Insurance Law**”). According to the Social Insurance Law, employers should make the social insurance registration and employees must participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance and maternity insurance and the employers must, together with their employees or separately, pay the social insurance premiums for such employees. On July 31, 2025, the Supreme People’s Court issued the Interpretation (II) on Issues Concerning the Application of Law in the Trial of Labour Dispute Cases, which came into effect on 1 September 2025. According to this interpretation, any agreement between an employer and an employee, or any undertaking by

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the employee, stating that social insurance contributions are not required, shall be deemed invalid. Furthermore, employees may request termination of their labour contracts and demand economic compensation from the employer on the grounds of failure to pay social insurance contributions in accordance with the law. Our Group has not paid social insurance contributions for few employees who may assert their right to terminate their labour contracts and claim economic compensation. The compensation is calculated based on the employee's length of service with the company: one month's salary for each full year of service; for service between six months and one year, compensation is calculated as one full year; and for service less than six months, half a month's salary is payable. This may have an adverse impact on our Group's business, financial condition, and operating results. In addition, recently, the PRC Government enhanced its measures relating to social insurance collection, which may lead to stricter enforcement.

Pursuant to the Regulations on Management of Housing Provident Fund (住房公積金管理條例) promulgated by the State Council on April 3, 1999 and took effect on the same date, which was amended, supplemented or otherwise modified from time to time and was lately amended on March 24, 2019 to take effective on the same date, employers must open housing provident fund account and pay housing provident fund for its employees. However, our social insurance and/or housing provident fund policies and practices may in the future be found to have violated the relevant laws regulations, and we may therefore be subject to related administrative measures, penalties, fines or legal fees. Compliance with the relevant laws and regulations may increase our operating expenses, in particular our personnel expenses.

As the interpretation and implementation of labor laws and regulations may be further updated, there can be no assurance that our employment practice policy and will at all times be deemed to be in full compliance with labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

During the Track Record Period, we engaged third-party agencies to make such contributions on our behalf for certain employees, which was not in strict compliance with applicable PRC laws and regulations. As of December 31, 2025, we engaged third-party agencies for paying social insurance or housing provident funds for less than ten employees. As advised by our PRC Legal Advisor, if the validity of such arrangements is challenged by competent PRC authorities, we might be ordered by the relevant authorities to rectify the situation within a specified timeframe, or be subject to fines, for failing to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer or be ordered to rectify such practice. We might also be subject to labor disputes arising from such arrangements with the relevant employees.

In addition, during the Track Record Period, we did not make adequate social insurance and housing provident fund contributions for a small number of employees. This was mainly attributable to the following reasons:(i) such employees are re-employed retirees or engaged under labor service relationships, for which contributions are not required under applicable laws and regulations;(ii) certain new employees joined the Company after the monthly contribution deadline, and the failure to make contributions in that month constitutes a reasonable cause and does not represent arrears;(iii) a small proportion of such employees personally elected to make contributions at other enterprises or entities, or their contributions were made by third-party institutions. Pursuant to the relevant provisions of the Social Insurance Law and the Regulations on Management of Housing Provident Fund, there is a risk that we may be ordered by the competent authorities to make corrections within a specified time limit. If we fail to make such corrections within the time limit, we may be fined by the social insurance competent authorities an amount of up to three times the amount of the social insurance premiums due and fined by the housing provident fund competent authorities an amount of up to RMB50,000. However, as advised by our PRC Legal Advisors, since based on the credit reports and certificates issued by the relevant competent authorities, our Group has not been subject to any penalties or received any notices to make up unpaid funds in relation to failing to make full payments for a few employees and making payments through third-party agencies, the risk of us being requested to settle outstanding contributions or being fined for failing to make social insurance and the housing provident fund contributions in full amount within the prescribed timeframe is relatively low. Moreover, the shortfall in respect of social insurance and provident fund contributions of our Group for each year during the Track Record Period did not exceed RMB5.5 million and no specific provisions have been made during the Track Record Period, as the risks associated with the aforementioned non-compliance are deemed low either due to completed rectification, lack of explicit liability, and/or confirmation of low penalty risk by competent authorities as well as our PRC Legal Advisors. We cannot assure you that such relevant authorities in China would not notify and require us in the future to settle outstanding contributions within a prescribed timeframe. Should we fail to settle outstanding contributions within a prescribed timeframe in accordance with relevant laws and regulations, we may be subject to a fine and/or an order from the relevant court to enforce such payment.

Our employees might exercise their right to strike per the relevant local laws and regulations, and, in such case, it could have a material and adverse effect on both our business and reputation, and the operation of our mines could be disrupted.

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Our employees in Namibia are highly unionized, and unions hence have a significant impact on the general labor relations environment. Trade unions are active in Namibia and advocate for improved conditions of employment and change to labor regulations, and to promote various political and social goals by using their collective power and ability to withhold labor. The broader labor relations climate also remains fragile in Namibia. Therefore, union involvement in wage negotiations and collective bargaining increases the risk of strike action and rising labor costs. Wage negotiations in other industries and other mining sectors may influence the stance unions take toward the industry in which we operate.

You may have limited recourse in effecting services of legal process or enforcing overseas judgments against us, our Directors and our senior management.

Most of our Directors and executive officers reside within the PRC, and some of our company’s assets and the assets of those persons are located within the PRC. It may be difficult, complicated and time-consuming for investors to effect service of process upon us or those persons inside the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts.

A judgment of a court of another jurisdiction may only be reciprocally recognized or enforced if the jurisdiction has a treaty with the PRC or if the judgment complies with the principle of reciprocity and do not violate the basic principles of the PRC laws, national sovereignty, security, social interests and public interests, subject to the satisfaction of other requirements. On January 25, 2024, the Supreme People’s Court issued the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the “Arrangement”), which was implemented on January 29, 2024. Under the Arrangement, any relevant party may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of a final court judgment in civil and commercial cases subject to the conditions set forth in the Arrangement. Although the Arrangement has come into effect, uncertainties remain as to the outcome and effectiveness of any action brought under the Arrangement. The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. Courts in mainland China may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law on basis of either on (i) the treaties between mainland China and the country where the judgment is made or (ii) on principles of reciprocity between jurisdictions. In addition, according to the PRC Civil Procedures Law, the courts in mainland China will not enforce a foreign judgment against us or our Directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, in case of violation of the above principles, there is no assurance that a judgment rendered by a court outside the PRC would be recognized and enforced in a court in mainland China.

Gains on the sales of H Shares and dividends on the H Shares may be subject to PRC income taxes.

Under the applicable PRC tax laws, both the dividends we pay to non-PRC resident individual holders of H shares (“**non-resident individual holders**”), and gains realized through the sale or transfer by other means of H shares by such Shareholders, are subject to PRC individual income tax at a rate of 20%, unless reduced by the applicable tax treaties or arrangements.

Under applicable PRC tax laws, the dividends we pay to, and gains realized through the sale or transfer by other means of H shares by non-PRC resident enterprise holders of H shares (“**non-resident enterprise holders**”), are both subject to EIT at a rate of 10%, unless reduced by applicable tax treaties or arrangements. Pursuant to the Arrangements between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) dated August 21, 2006, any nonresident enterprise registered in Hong Kong that holds, directly, at least 25% of the shares of our Company shall pay Enterprise Income Tax for the dividends declared and paid by us at a tax rate of 5% if the Hong Kong non-resident enterprise is the beneficial owner of the equity and certain other conditions are met.

For non-resident individual holders, gains realized through the transfer of properties are normally subject to PRC individual income tax at a rate of 20%. However, according to the Circular of the Ministry of Finance and the State Taxation Administration on Issues Concerning Individual Income Tax Policies (財政部、國家稅務總局關於個人所得稅若干政策問題的通知) effective as of May 13, 1994, income received by individual foreigners from dividends and bonuses of a foreign-invested enterprise are exempt from individual income tax for the time being. According to the Circular Declaring that Individual Income Tax Continues to Be Exempted over Individual Income from Transfer of Shares issued by the MOF and the STA (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) effective as of March 30, 1998, income from individuals’ transfer of stocks of listed companies continued to be temporarily exempted from individual income tax. On February 3, 2013, the State Council approved and promulgated the Notice of Suggestions to Deepen the Reform of System of Income Distribution (國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知). On February 8, 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (國務院辦公廳關於深化收入分配制度改革重點工作分工的通知). According to these two documents, the PRC Government is planning to cancel foreign individuals’ tax exemption for dividends obtained from foreign-invested enterprises, and the Ministry of Finance and the State

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Taxation Administration should be responsible for making and implementing details of such plan. However, relevant implementation rules or regulations have not been promulgated by the Ministry of Finance and the State Taxation Administration.

Considering these uncertainties, non-resident holders of our Shares should be aware that they may be obligated to pay PRC income tax on the dividends and gains realized through sales or transfers of the H shares.

Policies regarding foreign currency conversion may affect our foreign exchange transactions and our ability to pay dividends and meet other obligations.

During the Track Record Period, we received our revenue both in Renminbi and U.S. dollars. Currently, the conversion of RMB into foreign currency has to comply with the relevant laws and regulations and remittance of foreign currencies are subject to the PRC foreign exchange regulations. We may have to convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our H Shares, if any, and settlement of foreign investment. Shortage in the availability of foreign currency may restrict the ability of our Group to remit sufficient foreign currency out of the PRC, or otherwise satisfy our foreign currency denominated obligations.

Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. However, approval from or registration with appropriate governmental authorities is required where RMB is to be converted into foreign currency and remitted out of the PRC to pay capital expenses under the capital account such as the repayment of loans denominated in foreign currencies.

The policies regarding foreign exchange transactions under the current account and the capital account may not necessarily continue in the future. In addition, these foreign exchange policies may restrict our ability to obtain sufficient foreign exchange, which could have an adverse effect on our foreign exchange transactions and the fulfillment of our other foreign exchange requirements. If there are changes in the policies regarding the payment of dividends in foreign currencies to shareholders or other changes in foreign exchange policies resulting in insufficient foreign exchange, our payment of dividends in foreign currencies may be affected.

There may be changes from time to time with respect to the legal systems of jurisdictions, including the PRC, Singapore and Namibia, and any failure to comply with such laws and regulations could adversely affect us.

The legal systems of the jurisdiction in which we have operations vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but are not legally binding on other courts. Some of the markets in which we operate have not developed a fully integrated legal system. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to changes and evolving, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities have discretion in interpreting and implementing statutory provisions and contractual terms, the outcome of administrative and court proceedings and the level of legal protection we have in many of the localities in which we operate are unpredictable. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory changes may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us. Furthermore, many of the legal systems in our markets are based in part on government policies and internal rules, some of which are not published on a timely basis, or at all, and may have retroactive effect. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies and rules until some time after the violation. In addition, any administrative and court proceedings in our markets may be protracted, resulting in substantial costs and diversion of resources and management attention. It is possible that a number of laws and regulations may be adopted or construed to apply to us in our geographic markets and elsewhere that could affect our industries. Scrutiny and regulation of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing this regulation. Changes in current laws or regulations or the imposition of new laws and regulations regarding our industries in our geographic markets may slow the growth of our industries and adversely affect our financial condition and results of operations.

RISKS RELATING TO THE [REDACTED]

Our A Shares have been listed in China since 2000, and the characteristics of the A share and H share markets may differ.

Our A Shares have been listed and traded on the Shenzhen Stock Exchange since 2000. Following the [REDACTED], our A Shares will continue to be traded on the Shenzhen Stock Exchange, and our H Shares will be [REDACTED] on the Hong Kong Stock Exchange. Without regulatory approval, our A Shares and H Shares are

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neither convertible into nor fungible with each other. The A share and H share markets have different characteristics, including different [REDACTED] volumes and liquidity and different [REDACTED] bases. As a result of these differences, the [REDACTED] of our A Shares and H Shares may not be the same. Fluctuations in the price of our A Shares may adversely affect the [REDACTED] of our H Shares, and vice versa. Due to the different characteristics of the A share and the H share markets, the historical prices of our A shares may not be indicative of the performance of our H Shares. You should not rely on the prior trading history of our A Shares when evaluating an [REDACTED] in our H Shares. Past performance is no guarantee of future results.

There has been no prior [REDACTED] for our H Shares, and an active trading market for our H Shares may not develop or be sustained.

Prior to the [REDACTED], there was no [REDACTED] for our H Shares. There can be no assurance that the [REDACTED] will result in the development of an active, liquid public trading market for our H Shares. The initial [REDACTED] for our H Shares to the public will be the result of negotiations between us and the [REDACTED] (for themselves and on behalf of the [REDACTED]), and the [REDACTED] may differ significantly from the [REDACTED] of the [REDACTED] following completion of the [REDACTED].

We have applied to the Hong Kong Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the [REDACTED] (including any H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]). However, there can be no guarantee that (i) an active and liquid [REDACTED] for the [REDACTED] will develop; (ii) or, if it does develop, that it will be sustained following the [REDACTED]; or (iii) that the [REDACTED] of the [REDACTED] will not decline below the [REDACTED]. If an active [REDACTED] for our [REDACTED] does not develop following the completion of the [REDACTED], the [REDACTED] and liquidity of our [REDACTED] could be materially and adversely affected. You may not be able to resell your Shares at a price that is attractive to you, or at all.

The [REDACTED] of our H Shares may be volatile, which could result in substantial losses to you.

The [REDACTED] and [REDACTED] of our H Shares may be volatile. The [REDACTED] of our Shares may fluctuate significant and rapidly in response to factors beyond our control, including, but not limited to:

- actual or anticipated variations of our results of operations;
- loss of key suppliers and/or contractors;
- changes in securities analysts’ estimates or market perception of our financial performance;
- announcement by us of significant acquisitions, depositions, strategic alliances or joint ventures;
- addition or departure of key senior management or other key personnel;
- fluctuations in the stock [REDACTED] and volume;
- regulatory or legal developments, including involvement in litigations;
- fluctuations in trading volumes or the release of lock-up or other transfer restrictions on our outstanding Shares or sales of additional Shares by us; and
- general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shenzhen Stock Exchange.

Since the listing of our A Shares on the Shenzhen Stock Exchange (“SZSE”), we have been subject to periodic reporting and other information disclosure requirements in the PRC. As a result, from time to time we publicly release information relating to us on the SZSE or other media outlets designated by the SZSE. However, the information we announce in connection with our A Shares listing is based on regulatory requirements and market practices in the PRC, which differ from those applicable to the [REDACTED]. Such information does not and will not form a part of this document. As a result, prospective [REDACTED] in our H Shares are reminded that in making their investment decisions as to whether to [REDACTED] our H Shares, they should rely only on the financial, operating and other information included in this document. Past performance is no guarantee of future results. By applying to [REDACTED] H Shares in the [REDACTED] you will be deemed to have agreed that you will not rely on any information other than that contained in this document, and any formal announcements made by us in Hong Kong related to the [REDACTED].

You may experience an immediate dilution if the [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share and may experience further dilution if we issue additional Shares in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value. To expand our business, we may consider offering and issuing additional Shares in the future. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company, other than on a pro rata basis to existing Shareholders, then: (i) the percentage ownership of the existing Shareholders may be reduced, and they may experience subsequent dilution and reduction in their earnings per share; (ii) such newly issued securities may have rights, preferences or privileges superior to those of the Shares of the existing Shareholders; and/or (iii) subscribers and purchasers of our Shares may experience dilution in the net tangible assets value per Share if we issue additional Shares in the future at a price which is lower than our net tangible assets value per Share.

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A future significant increase or perceived significant increase in the supply of our H Shares in public markets could cause the [REDACTED] of our H Shares to decrease significantly, and/or dilute shareholdings of holders of H Shares.

The [REDACTED] of our [REDACTED] could decline as a result of future sales of a substantial number of our [REDACTED] or other securities relating to our [REDACTED] in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

The interests of our Controlling Shareholder and its affiliates may not necessarily be aligned with the interests of our other Shareholders.

The interests of our Controlling Shareholder and its affiliates may differ from the interests of our other Shareholders. They could through their shareholding interest in our Company exert influence in determining the outcome of any corporate transaction or other matter submitted to our Shareholders for approval, including mergers, consolidations, the sale of all or substantially all of our assets, election of Directors, and other significant corporate actions. This as a result, may discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for their [REDACTED] in a sale of our Company or may reduce the [REDACTED] of our [REDACTED]. In addition, to the extent the interests of our Controlling Shareholder and its affiliates conflict with the interests of other Shareholders, the interests of other Shareholders may be disadvantaged or harmed.

Our historical dividends may not be indicative of our future dividend policy, and we may not be able to pay any dividends on our H Shares.

We declared and paid dividends to our Shareholders of RMB777.5 million, RMB777.5 million and RMB1,013.5 million respectively, for the years ended December 31, 2023, 2024 and 2025. All of such dividends declared during the Track Record Period had been fully settled to our Shareholders as of the Latest Practicable Date. However, our historical dividends may not be indicative of our future dividend policy. There can be no guarantee: (i) when, if at all, will be paid on our H Shares following the [REDACTED]; or (ii) if dividends are paid, what form they will take. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, macroeconomic factors, our business and financial performance, capital and regulatory requirements, and general business conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. See “Financial Information — Dividend” of this document for details.

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our [REDACTED], the [REDACTED] and [REDACTED] of our [REDACTED] may decline.

The [REDACTED] of our [REDACTED] may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the [REDACTED] and/or [REDACTED] of our [REDACTED] to decline. If one or more analysts who cover us downgrade our [REDACTED] or publish negative opinions about us, the [REDACTED] of our [REDACTED] would likely decline regardless of the accuracy of the information.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This Document includes forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding our future financial position, our strategy, plans, estimations, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words “going-forward”, “next”, “under-estimate”, “expect”, “hope”, “confirm”, “navigate”, “intend”, “might”, “anticipate”, “justify”, “need”, “estimate”, “believe”, “moving forward”, “looking forward”, “ought to”, “plan”, “potential”, “predict”, “project”, “seek”, “could”, “should”, “would”, “aim”, “around”, “can”, “may”, “will”, and the negative of these words and other similar expressions are forward-looking statements. Those statements include, among other things, the discussion of our growth strategy and expectations concerning our future operations, liquidity and capital resources. Investors in the Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our control. Considering these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representation by us that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. We do not

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undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether because of new information, future events or otherwise. Please see the section headed “Forward-Looking Statements” in this Document.

The industry data and forecasts in this document obtained from various official government publications have not been independently verified.

This document includes industry data and forecasts that we obtained from various government publications. However, there can be no assurance of the accuracy or completeness of information obtained from these sources. We have not independently verified any of the data, forecasts and other statistics from such sources, nor have we ascertained that the underlying economic assumptions relied upon in those sources. Also, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors, officers, affiliates, advisor and representatives, or any other parties involved in the [REDACTED] make no representation as to the accuracy or completeness of aforementioned facts, forecasts and other statistics in this document. Moreover, such facts, forecasts and other statistics may not be prepared on the same basis or with the same degree of accuracy (as the case may be) in other publications or jurisdictions. For these reasons, the information from various government publications contained in this document may not be accurate and should not be given undue reliance as a basis for making your [REDACTED] in our [REDACTED].

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles and other media regarding us and [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and [REDACTED]. Prior to the publication of this document, there has been press and media coverage regarding us, our business, our industry, and [REDACTED]. There may be additional media coverage regarding us, our business, our industry, and [REDACTED] after the date of this document but prior to the completion of [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. Neither our Company nor any other person involved in [REDACTED] has authorized the disclosure of any such information in the press or media, and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to, and do not accept any responsibility for, the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.