

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountants’ Report in Appendix I, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with the HKFRSs Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this document, including the sections headed “Risk Factors” and “Business,” and elsewhere in this document. For further details, see “Forward-Looking Statements.”

OVERVIEW

We are a leading silver and tin polymetallic mining company in the global mining industry. We primarily engage in the exploration, mining, processing and sale of silver, tin, zinc, and other metals and non-metallic minerals. We currently possess over 656.1 Mt of Mineral Resources, containing approximately 33.6 kt of silver, ranking first in Asia and seventh globally, and 444.6 kt of tin, ranking second in China. As of the Latest Practicable Date, we engage in exploration, mining and processing through 12 major subsidiaries, eight of which are in operation.

For the years ended December 31, 2023, 2024 and 2025, our revenue was RMB3,706.0 million, RMB4,270.4 million and RMB5,555.3 million, respectively, representing a CAGR of 22.4% from 2023 to 2025; revenue from silver and tin reached RMB2,327.2 million, RMB2,580.8 million and RMB3,825.4 million in the same periods, respectively, representing a CAGR of 28.2% from 2023 to 2025; our net profit was RMB951.4 million, RMB1,500.2 million and RMB1,707.8 million, respectively, representing a CAGR of 34.0% from 2023 to 2025.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with HKFRS Accounting Standards, (which comprise all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). All HKFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by our Group in the preparation of our historical financial information throughout the Track Record Period.

The historical financial information has been prepared under the historical cost convention, except for derivative financial instruments, equity investments designated at fair value through other comprehensive income, and financial assets and financial liabilities at fair value through profit or loss which have been measured at fair value.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Set forth below are certain key factors which have historically affected our results of operations and may continue to impact our results in the future:

Resources and Reserves

Resources and reserves are fundamental to our financial and operational performance. They provide the basis for our mine planning, production scheduling and capital allocation, and directly affect our production capacity, operating costs and long-term development strategy.

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Based on the Competent Person's Reports prepared in accordance with the JORC Code, as of December 31, 2025, we had total Mineral Resources of 656.1 Mt and Ore Reserves of 246.3 Mt. The scale, grade and classification of our Mineral Resources and Ore Reserves directly influence the expected life of mines, production volumes and cost structures, which in turn have a material impact on our revenue, profitability and capital expenditure. A stable and high-quality reserve base provides us with greater production visibility and operational flexibility, allowing us to optimize mine plans and respond to fluctuations in commodity prices.

As mining is an extractive industry dealing with finite resources, our long-term sustainability depends on our ability to continuously replenish and expand our resource and reserve base. We seek to achieve this through ongoing exploration activities, optimization of mining and processing technologies, and evaluation of potential acquisition opportunities. Our ability to convert Mineral Resources into Ore Reserves and to extend the life of our mines is critical to maintaining our operational continuity and financial performance.

Mineral Resources and Ore Reserves estimates are inherently subject to uncertainty. These estimates are based on geological data, sampling results and modelling assumptions, which may be affected by factors such as geological complexity, data density and assumptions regarding future commodity prices and operating conditions. As a result, actual production outcomes may differ from these estimates. Any material changes in our Mineral Resources and Ore Reserves estimates may affect our mine plans, depreciation schedules, asset valuations and financial results. We will continue to refine our geological models and update our estimates as additional data becomes available; however, our Mineral Resources and Ore Reserves figures remain subject to revisions and should be interpreted with appropriate caution.

Market Demand for and Prices of Silver, Tin and Other Non-Ferrous Metal

During the Track Record Period, our revenue was derived primarily from the sales of silver, tin, zinc and other metals and non-metals, with a substantial portion from the sale of silver and tin. Our revenue from sales of silver and tin accounted for 62.8%, 60.4% and 68.9% of our total revenue in 2023, 2024 and 2025, respectively. Our revenue may fluctuate on the ever-changing prices of these metals in China and the global market. The prices of metals are affected by numerous factors, including market demand, macroeconomic conditions, geopolitical tensions, and speculative trading activities.

Silver is widely used as a catalyst, an electrical contact material, and an antimicrobial agent in key high-growth industrial sectors such as electronics, renewable energy, and healthcare. Tin is widely used across industries such as metallurgy, electronics, packaging, electrical appliances, chemicals, building materials, machinery, automotive, aerospace, and defense, with its primary applications in solder, tinplate, and tin chemicals. Zinc is primarily used for anti-corrosion coatings on steel (galvanization), and as a key alloying element in precision machinery manufacturing. In recent years, its applications in renewable energy sectors, including energy storage batteries and photovoltaic mounting structure coatings, have also become increasingly prominent. Other than silver, tin and zinc, our non-ferrous metals are also widely applied in fields such as electronics, power and renewable energy, automotive, infrastructure and consumer goods. Accordingly, demand for our silver, tin, zinc and non-ferrous metals is affected by the growth and fluctuations of these end markets.

International silver prices exhibited significant volatility during the period from 2023 through early 2026, driven by evolving macroeconomic conditions, shifts in industrial demand, and geopolitical developments, all of which influenced market sentiment and pricing dynamics. In 2023, silver prices remained relatively stable, with quarterly average prices generally trading within a range of approximately US\$22.00 to US\$26.00 per troy ounce, according to Shanghai Gold Exchange. In 2024, silver prices trended upward and demonstrated increased momentum, the annual average price rose to around US\$31.50 per troy ounce, while the highest quarterly average price reached approximately US\$33.90 per troy ounce, according to Shanghai Gold Exchange. This performance was primarily supported by continued growth in industrial demand and a widening supply-demand deficit, as well as increased physical investment demand in key markets, including Asia. From late 2025 through early

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2026, silver prices experienced heightened volatility. Prices rose sharply, reaching US\$102.01 per troy ounce in the first quarter of 2026, reflecting a combination of strong demand from industrial applications, including electronics, and increased trading activity in the market.

International tin prices exhibited significant volatility during the period from 2023 through early 2026, driven by persistent supply-side disruptions in key producing regions, accelerating demand from the electronics and semiconductor industries, and shifting macroeconomic conditions. In 2023, tin prices remained relatively stable within a range of approximately US\$29,000 to US\$32,000 per tonne, according to Shanghai Futures Exchange. In 2024, tin prices trended upward and demonstrated increased momentum, and the highest quarterly price for the year peaked at US\$37,000 per tonne approximately. From late 2025 through early 2026, tin prices experienced heightened volatility. Prices rose sharply, reaching US\$55,515.7 per tonne in the first quarter of 2026.

We sell silver produced in China to Chinese domestic customers, the prices of which is referenced to the Huatong Silver Spot No. 2 silver settlement prices (華通白銀現貨2#銀) published by Ebaiyin.com (中國白銀網). The spot prices of silver on Ebaiyin.com closely follow international silver prices. We sell tin and zinc at prices determined with reference to the tin price and zinc price published on Shanghai Metals Market (上海有色網) during the pricing period, after deducting smelting enterprises’ processing charges and grade adjustment amounts. Should there be any significant fluctuations in global prices for silver, tin and zinc, our results of operations may be materially affected. See “Risk Factors — Fluctuations in the market prices of our main products may adversely affect our revenue, profitability and cash flows.” The tables below set forth the impact of fluctuations of silver price and tin price on our results of operations for the periods indicated.

For the year ended December 31, 2023								
<i>(RMB in thousands, except for percentages)</i>								
Hypothetical fluctuation of silver								
market price	(20%)	(15%)	(10%)	(5%)	5%	10%	15%	20%
Changes in gross profit	(199,368)	(149,526)	(99,684)	(49,842)	49,842	99,684	149,526	199,368
Change in gross profit margin	(3.0%)	(2.2%)	(1.5%)	(1.0%)	0.7%	1.4%	2.1%	2.7%
For the year ended December 31, 2024								
<i>(RMB in thousands, except for percentages)</i>								
Hypothetical fluctuation of silver								
market price	(20%)	(15%)	(10%)	(5%)	5%	10%	15%	20%
Changes in gross profit	(233,082)	(174,811)	(116,541)	(58,270)	58,270	116,541	174,811	233,082
Change in gross profit margin	(2.5%)	(1.8%)	(1.2%)	(0.7%)	0.6%	1.1%	1.7%	2.2%
For the year ended December 31, 2025								
<i>(RMB in thousands, except for percentages)</i>								
Hypothetical fluctuation of silver								
market price	(20%)	(15%)	(10%)	(5%)	5%	10%	15%	20%
Changes in gross profit	(435,156)	(326,367)	(217,578)	(108,789)	108,789	217,578	326,367	435,156
Change in gross profit margin	(4.1%)	(3.0%)	(2.0%)	(0.7%)	0.9%	1.8%	2.7%	3.5%
For the year ended December 31, 2023								
<i>(RMB in thousands, except for percentages)</i>								
Hypothetical fluctuation of tin								
market price	(20%)	(15%)	(10%)	(5%)	5%	10%	15%	20%
Changes in gross profit	(266,064)	(199,548)	(133,032)	(66,516)	66,516	133,032	199,548	266,064
Change in gross profit margin	(4.1%)	(3.0%)	(2.0%)	(1.0%)	0.9%	1.8%	2.7%	3.6%
For the year ended December 31, 2024								
<i>(RMB in thousands, except for percentages)</i>								
Hypothetical fluctuation of tin								
market price	(20%)	(15%)	(10%)	(5%)	5%	10%	15%	20%
Changes in gross profit	(283,078)	(212,309)	(141,539)	(70,770)	70,770	141,539	212,309	283,078
Change in gross profit margin	(3.1%)	(2.3%)	(1.5%)	(0.7%)	0.7%	1.4%	2.0%	2.7%

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For the year ended December 31, 2025

(RMB in thousands, except for percentages)

Hypothetical fluctuation of tin market price	(20%)	(15%)	(10%)	(5%)	5%	10%	15%	20%
Changes in gross profit	(329,928)	(247,446)	(164,964)	(82,482)	82,482	164,964	247,446	329,928
Change in gross profit margin	(3.1%)	(2.3%)	(1.5%)	(0.7%)	0.7%	1.4%	2.1%	2.7%

The above sensitivity analysis illustrates the potential impact of shifting silver and tin prices, respectively, on our gross profit and margins, assuming sales volume and ore grades of mines remains constant. This analysis does not take into account changes in raw material, fuel and power costs, as such fluctuations are considered non-material to our overall cost structure.

Our Production Volume

Our results of operations depend on the production volume of metals, primarily silver, tin and zinc. In 2023, 2024 and 2025, we produced (i) 199.6 tonnes, 228.9 tonnes and 301.0 tonnes of silver, respectively, (ii) 7.8 kt, 8.9 kt and 6.7 kt of tin, respectively, and (iii) 55.0 kt, 59.7 kt and 66.7 kt of zinc, respectively. For more operating data of our mines, see “Business — Our Mining and Processing Operations in China.”

The following table sets forth the information of our actual ore processed volume and mine production volume in 2023, 2024 and 2025.

	Year Ended December 31,		
	2023	2024	2025
Total ore processing volume (kt)	4,424.29	4,851.85	6,643.46
Production volume:			
Silver (t)	199.62	228.93	301.03
Tin (kt)	7.77	8.90	6.68
Zinc (kt)	54.97	59.74	66.69
Iron concentrate (kt)	352.28	339.09	293.84
Copper (kt)	2.77	2.91	2.38
Lead (kt)	15.69	16.96	19.16
Gold (kg)	46.07	28.32	152.51
Antimony (kt)	1.02	1.35	1.63

Our production volume is affected by various factors, including, for example, the capacity and efficiency of our processing operations and third-party contractors. Actual production volume may vary from our production plan, which may cause our actual results of operations to vary from our projected results. This is due to a variety of reasons, including, among others, actual silver, tin and non-ferrous metal ores mined varying from estimates in grade, tonnage, metallurgical and other characteristics, decreases in metal prices which may cause mineral resources that are currently economical to become uneconomical, and natural phenomena such as weather conditions, floods, droughts and rock falls, many of which are beyond our control. See “Risk Factors — Our operations are subject to risks that are commonly associated with mining companies.”

Cost of Sales and Recovery Rate

Our cost of sales primarily comprises contracting costs, depreciation and amortization, costs of raw materials, fuel and power, taxes and surcharges, safety production costs, ore haulage costs and staff costs. Contracting costs refer to the fees we paid to contractors for their services primarily relating to excavation, mining and ore processing. Depreciation and amortization costs are related to the depreciation of property, plant and equipment and amortization of intangible assets. Costs of raw materials, fuel and power primarily consist of mineral processing reagents, explosive materials, steel grinding balls, diesel, coal, electricity and other materials used in our operations. We procured our principal materials used in our production from suppliers in China. Certain major components of our cost of sales, such as mining and processing related costs, directly relate to our mining and production

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volume, and increases in our mining and production volume will lead to increases in such costs. Additional capital expenditure will increase our depreciation and amortization costs, which will in turn increase our cost of sales. See “— Description of Key Statement of Profit or Loss Items — Cost of sales.”

Our results of operations are also influenced by ore processing efficiency, measured by metal recovery rate. The recovery rate measures the proportion of valuable metal successfully extracted from the ore during processing. A lower recovery rate means that more ore must be processed to produce the same amount of metal, which increases cost of sales and reduces operational efficiency. As most of our mines are polymetallic mines, the recovery of the same metal varies depending on its mineralogical occurrence, ore composition, and processing characteristics, leading to differences in overall metal recovery across ore types within the same mining operations. For more details of the recovery rates of our mines, see “Business — Our Mining and Processing Operations in China.” We aim to continuously improve our metal recovery rate, especially the recovery of tin and silver, through technological improvements.

Strategic Acquisitions and Investments

We acquired Bosheng Mining, Yubang Mining and Atlantic Tin Limited during the Track Record Period, which significantly improved our financial performances and results of operations in silver and other non-ferrous metal mining. We will continue to expand our footprints in the PRC and the global mining market. See “Business — Our Strategies” and “Future Plans and [REDACTED]” for more details about our expansion plans.

Our overall growth is driven by both ongoing growth and strategic acquisitions. We believe that our ability to successfully execute our acquisition strategies and integrate the acquired operations with our existing operations have contributed to our business and results of operations. Going forward, we will continue to consider strategic acquisitions. Our ability to identify quality acquisition targets, negotiate favorable terms, and integrate and optimize acquired operations will continue to impact our business, financial condition and results of operations.

Acquisition of Bosheng Mining

On April 27, 2023, we entered into an equity transfer agreement with Gansu Qianjinda Mining Development Group Limited (甘肅乾金達礦業開發集團有限公司), pursuant to which we acquired a 70% equity interest in Bosheng Mining. The cash consideration was approximately RMB280 million in aggregate and determined by reference to the valuation of the assets of the acquired entity. Bosheng Mining’s core asset is Bangbu Mine, a gold mine in Xizang Autonomous Region.

The acquisition was completed on May 19, 2023, upon which Bosheng Mining became our majority-owned subsidiary. All necessary approvals from the relevant authorities have been obtained. We began consolidating the accounts of Bosheng Mining from May 19, 2023, and our results of operations for the Track Record Period reflected the consolidation of Bosheng Mining’ results from May 19, 2023 to December 31, 2025.

Acquisition of Yubang Mining

On December 20, 2024, we entered into an equity transfer agreement with Guocheng Mining Co., Ltd. (國城礦業股份有限公司) and certain individual shareholders of Yubang Mining, pursuant to which we acquired an 85% equity interest in Yubang Mining. The cash consideration was approximately RMB2,388 million in aggregate and determined by reference to the valuation of the assets of the acquired entity. Yubang Mining’s core asset is Shuangjianzishan Mine Area, a silver-lead-zinc mine in Bairin Left Banner, Chifeng City, Inner Mongolia Autonomous Region.

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The acquisition was completed on January 14, 2025, upon which Yubang Mining became our majority-owned subsidiary. All necessary approvals from the relevant authorities have been obtained. We began consolidating the accounts of Yubang Mining from January 14, 2025, and our results of operations for the Track Record Period reflected the consolidation of Yubang Mining’ results from January 14, 2025 to December 31, 2025.

Acquisition of Atlantic Tin Limited

On April 30, 2025, we entered into an Offer Implementation Agreement with Atlantic Tin Limited, an unlisted public company incorporated in Australia. Pursuant to the agreement, we designated our wholly owned subsidiary, Xingye Gold (Hong Kong), to make an off-market takeover offer in cash at a price of AUD0.24 per share to all shareholders holding the issued shares of Atlantic Tin Limited. The total consideration for the transaction was approximately AUD98 million (equivalent to approximately RMB453 million we paid). In September 2025, Xingye Gold (Hong Kong) completed the compulsory acquisition of the remaining 16,110,324 shares of Atlantic Tin Limited. On October 11, 2025, Xingye Gold (Hong Kong), together with its wholly owned subsidiary, Xingye Gold (Australia) Mining PTY LTD, completed the compulsory acquisition and thereby achieved 100% ownership of Atlantic Tin Limited.

Atlantic Tin Limited holds a portfolio of four mining projects, including the Achmmach Tin Project, the Bou EI Jaj Tin Project, the Samine Fluorite Project, and the Tamlalt Gold Project. As of December 31, 2025, the Achmmach tin mine had Ore Reserves of approximately 36.5 Mt and tin resources of approximately 206.0 kt. The major exploration work for the Achmmach tin mine has been completed and the planned ore processing volume is 1.2 Mt per year. We expect the Achmmach tin mine to commence production and reach its expected production capacity in 2028.

Expansion and Capital Expenditures

The mining industry is capital-intensive, requiring substantial upfront investment in equipment, land, and compliance with stringent safety and environmental regulations. It necessitates the implementation of resource exploration, recycling processes, merger and acquisition endeavors to secure sustainable and abundant mine reserves. To expand production of our mining assets, we continue to invest in construction and processing equipment to renovate and improve our mining facilities. We invest in advanced technology to enhance operational efficiency, safety, and environmental sustainability.

During the Track Record Period, our capital expenditures, primarily consisting of purchases of fixed assets, purchase of construction in progress, purchase of intangible assets, amounted to RMB657.8 million, RMB663.2 million and RMB528.0 million in 2023, 2024 and 2025, respectively, representing 17.7%, 15.5% and 9.5% of our revenue, respectively, for the same periods.

The costs associated with our capital expenditure plans may materially affect our financial condition and results of operations, particularly if we are unable to complete expansion projects on schedule or within budget, or if such projects fail to generate sufficient metal production and sales to recover our investment or achieve expected returns. Accordingly, our management continuously evaluates capital allocation decisions to support sustainable production levels and revenue growth, while balancing competing liquidity needs and the impact of increased depreciation on cost of sales.

In addition, acquisitions and strategic investments involve inherent risks, including challenges in operational integration, difficulties in aligning corporate cultures and personnel, diversion of management attention, risks associated with entering new markets, and the potential loss of key employees of acquired businesses. The occurrence of any of these risks could adversely affect our business, financial condition, and results of operations.

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Government Supervision and Policies on the Mining Industry

The local, provincial, and central authorities of China and Morocco exercise a substantial degree of supervision over the mining industry within their respective territories. Our operations in these countries are subject to a range of national laws, regulations, policies, standards, and requirements, particularly concerning exploration, mining, production, taxation, labor standards, occupational health and safety, waste treatment, environmental protection, and operational management.

In the jurisdictions where we operate, the respective governments hold full authority to grant, renew, and terminate the permits and licenses for exploration, mining, and production activities. While we anticipate being able to renew our licenses and permits in China and Morocco, any inability to do so for any reason could adversely affect our business and results of operations. See “Risk Factors — We may fail to obtain, maintain or renew the government permits, licenses and approvals required for our mining and exploration activities and our business operations.”

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our financial statements. In applying these policies, our management is required to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. For details of our material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Note II to the Accountants’ Report in Appendix I to this document.

DESCRIPTION OF KEY STATEMENT OF PROFIT OR LOSS ITEMS

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
	<i>(RMB in thousands, except for percentages)</i>					
Revenue	3,706,005	100.0	4,270,387	100.0	5,555,254	100.0
Cost of sales	(1,965,905)	(53.0)	(1,840,170)	(43.1)	(2,690,943)	(48.4)
Gross profit	1,740,100	47.0	2,430,217	56.9	2,864,311	51.6
Other income and gains	12,346	0.3	13,225	0.3	10,058	0.2
Selling and distribution expenses	(3,261)	(0.1)	(4,329)	(0.1)	(4,925)	(0.1)
Administrative expenses	(317,227)	(8.6)	(375,638)	(8.8)	(397,392)	(7.2)
Research and development expenses	(81,506)	(2.2)	(93,997)	(2.2)	(114,217)	(2.1)
(Impairment losses)/reversal of impairment losses on financial assets, net	(8,705)	(0.2)	784	0.0	724	0.0
Other expenses and losses	(110,695)	(3.0)	(73,767)	(1.7)	(37,546)	(0.7)
Finance costs	(136,456)	(3.7)	(117,395)	(2.7)	(215,050)	(3.9)
Share of losses of associates	(12,243)	(0.3)	(8,385)	(0.2)	(6,447)	(0.1)
Share of losses of a joint venture	(12,442)	(0.3)	(7,162)	(0.2)	—	0.0
Profit before tax	1,069,911	28.9	1,763,553	41.3	2,099,516	37.8
Income tax expenses	(118,477)	(3.2)	(263,323)	(6.2)	(391,691)	(7.1)
Profit for the year	951,434	25.7	1,500,230	35.1	1,707,825	30.7

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Revenue

During the Track Record Period, our revenue was generated mainly from sales of silver, tin, zinc, and other metals, including lead, iron, copper, antimony, gold, and bismuth. Our products are principally sold in the form of concentrates. During the Track Record Period, all of our revenue was generated in the Chinese mainland. See “Business — Overview” for more details.

Revenue by Product Type

The following table sets out the breakdown of our revenue by product type for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
Silver	996,838	26.9	1,165,409	27.3	2,175,782	39.2
Tin	1,330,318	35.9	1,415,391	33.1	1,649,640	29.7
Zinc	712,044	19.2	981,036	23.0	975,867	17.6
Other metals and non-metals:						
Lead	211,344	5.7	230,363	5.4	220,945	4.0
Iron	229,342	6.2	234,711	5.5	180,380	3.2
Copper	140,433	3.8	129,711	3.0	133,004	2.4
Antimony	42,739	1.2	62,812	1.5	100,357	1.8
Gold	26,612	0.7	13,719	0.3	82,340	1.5
Bismuth	8,574	0.2	12,505	0.3	16,674	0.3
Sulfur	187	0.0	84	0.0	—	—
Subtotal	659,231	17.8	683,905	16.0	733,700	13.2
Other revenue ⁽¹⁾	7,574	0.2	24,646	0.6	20,265	0.3
Total	3,706,005	100.0	4,270,387	100.0	5,555,254	100.0

Note:

- (1) Consist primarily of (i) revenue from sales of materials, water and electricity, which primarily relate to materials and utilities consumed by our underground mining service providers and contractors, and sales of tailings and (ii) revenue from rescue and heating services.

During the Track Record Period, revenue generated from the sales of tin and silver products constituted the largest portion of our revenue. For the years ended December 31, 2023, 2024, and 2025, revenue generated from the sales of tin was approximately RMB1,330.3 million, RMB1,415.4 million, and RMB1,649.6 million, accounting for approximately 35.9%, 33.1%, and 29.7% of our total revenue, respectively; revenue generated from the sales of silver was approximately RMB996.8 million, RMB1,165.4 million and RMB2,175.8 million, accounting for approximately 26.9%, 27.3% and 39.2% of our total revenue, respectively.

The following table sets forth our sales volume and average selling price of our core metal products for the periods indicated.

	Unit	Year ended December 31,					
		2023		2024		2025	
		Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
		<i>(RMB/unit)</i>		<i>(RMB/unit)</i>		<i>(RMB/unit)</i>	
Silver	<i>(kg)</i>	232,051	4,296	209,819	5,554	298,144	7,298
Tin	<i>(t)</i>	8,638	154,012	7,612	185,947	7,916	208,390
Zinc	<i>(t)</i>	55,502	12,829	59,259	16,555	66,223	14,736

In 2023, 2024 and 2025, our sales volume of silver amounted to 232,051 kilograms, 209,819 kilograms and 298,144 kilograms, respectively. The sales volume of silver in 2023 was higher than that in 2024 because a portion of silver inventory which was produced in 2022 was sold in 2023. The sales

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volume increased in 2025 as compared to 2024 primarily because we acquired Yubang Mining and consolidated it into our Group in 2025. For the same periods, average selling price for our silver product was approximately RMB4,296 per kilogram, RMB5,554 per kilogram and RMB7,298 per kilogram, respectively.

In 2023, 2024 and 2025, our sales volume of tin amounted to 8,638 tonnes, 7,612 tonnes and 7,916 tonnes, respectively. The fluctuations in sales volume from 2023 to 2025 were mainly driven by our sales and inventory management strategies. In November 2024, tin prices on the London Metal Exchange experienced a technical correction. Based on our assessment of market conditions, we temporarily suspended sales of tin products and increased our inventory. In early 2025, as tin prices recovered, we sold the accumulated inventory, resulting in an increase in sales volume and improved margins compared to the prior year. In 2023, 2024 and 2025, average selling price for our tin product was approximately RMB154,012 per tonne, RMB185,947 per tonne and RMB208,390 per tonne, respectively.

In 2023, 2024 and 2025, our sales volume of zinc amounted to 55,502 tonnes, 59,259 tonnes and 66,223 tonnes, respectively. The increase in sales volume of zinc from 2023 to 2025, was mainly driven by increased demand for this metal. For the same periods, average selling price for our zinc product was approximately RMB12,829 per tonne, RMB16,555 per tonne and RMB14,736 per tonne, respectively.

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of (i) contracting costs, consisting of the fees we paid to contractors for their services primarily relating to excavation, mining and ore processing, (ii) depreciation of our property, plant and equipment, and amortization of mining rights, (iii) costs of raw materials, fuel and power, (iv) taxes and surcharges, (v) safety production costs, (vi) ore haulage costs incurred in transporting mined ore from the extraction point to the processing plant or surface, and (vii) staff costs, consisting of salaries and benefits for our employees. Our cost of sales amounted to RMB1,965.9 million, RMB1,840.2 million, and RMB2,690.9 million in 2023, 2024 and 2025, respectively.

The following table sets forth a breakdown of our cost of sales for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
Contracting costs	387,792	19.7	406,852	22.1	624,299	23.2
Depreciation and amortization ⁽¹⁾	465,483	23.7	408,057	22.2	525,724	19.5
Raw materials, fuel and power	372,839	19.0	304,915	16.6	456,964	17.0
Taxes and surcharges.	217,606	11.1	256,393	13.9	338,262	12.6
Safety production costs.	140,063	7.1	141,937	7.7	262,993	9.8
Ore haulage costs	196,011	10.0	175,656	9.5	232,790	8.7
Staff costs.	117,177	6.0	83,578	4.5	143,738	5.3
Others ⁽²⁾	68,934	3.4	62,782	3.5	106,173	3.9
Total	1,965,905	100.0	1,840,170	100.0	2,690,943	100.0

Notes:

- (1) Consist primarily of (i) amortization of mining rights, patent and licenses as intangible assets; and (ii) depreciation of buildings, machinery, motor vehicles, and mineral assets as property, plant and equipment.
- (2) Consist primarily of backfilling costs, equipment maintenance and repair costs, and other miscellaneous costs.

The increase in cost of sales from 2024 to 2025 was primarily driven by the increased contracting costs, costs of raw materials, fuel and power, safety production costs, and ore haulage costs, as a result of increased sales volume of our key metal products, such as silver, tin, zinc and gold.

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The decrease in our cost of sales from 2023 to 2024 was mainly due to (i) lower sales volume of tin and silver products in 2024 compared to that in 2023, and (ii) a decrease in unit production costs of certain metals, primarily driven by improved operational efficiency, including higher recovery rates and optimization of production processes. Taxes and surcharges increased in 2024 as compared to that in 2023, mainly attributable to an increase in resource taxes.

The following table sets forth a breakdown of our cost of sales by product type for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
Cost of sales from mining operations:						
Silver	540,180	27.5	471,884	25.6	1,042,003	38.7
Tin	528,461	26.9	452,960	24.6	605,347	22.5
Zinc	474,535	24.1	550,932	29.9	617,991	23.0
Lead	133,830	6.8	123,981	6.7	127,832	4.8
Iron	152,431	7.8	140,406	7.6	123,723	4.6
Copper	74,325	3.8	48,023	2.6	58,529	2.2
Antimony	27,175	1.4	23,176	1.3	44,665	1.7
Gold	24,655	1.3	10,443	0.6	49,381	1.8
Bismuth	5,938	0.3	7,460	0.4	13,170	0.5
Sulfur	108	0.0	38	0.0	—	—
Subtotal	1,961,638	99.9	1,829,303	99.3	2,682,641	99.8
Other cost of sales ⁽¹⁾	4,267	0.1	10,867	0.7	8,302	0.2
Total	1,965,905	100.0	1,840,170	100.0	2,690,943	100.0

Note:

- (1) Consist primarily of the costs relating to sales of materials, water and electricity, sales of tailings, and rescue and heating services.

Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB1,740.1 million, RMB2,430.2 million and RMB2,864.3 million in 2023, 2024 and 2025, respectively. Our gross profit margin was 47.0%, 56.9% and 51.6% in 2023, 2024 and 2025, respectively.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	<i>(RMB in thousands, except for percentages)</i>					
Mining operations	1,736,793	47.0	2,416,437	56.9	2,852,348	51.5
Others	3,307	43.7	13,780	55.9	11,963	59.0
Total	1,740,100	47.0	2,430,217	56.9	2,864,311	51.6

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The following table sets forth a breakdown of our gross profit and gross profit margin of our major metal products for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	<i>(RMB in thousands, except for percentages)</i>					
Silver	456,658	45.8	693,525	59.5	1,133,779	52.1
Tin	801,857	60.3	962,431	68.0	1,044,293	63.3
Zinc	237,509	33.4	430,104	43.8	357,876	36.7

For analysis for fluctuations of gross profit and gross profit margins for each period during the Track Record Period, see “— Period-to-period Comparison of Results of Operations.”

Other Income and Gains

During the Track Record Period, our other income and gains primarily consisted of (i) government grants, (ii) gains on disposal of investment in a joint venture, (iii) gains on disposal of financial assets at fair value through profit or loss relating to the gains on disposal of futures contracts held by us, (iv) gains on settlement of provisional pricing arrangements, representing the gains arising from the adjustments made to the sale price based on movements in quoted market prices up to the date of final pricing under the contracts with certain customers, (v) bank interest income, (vi) gains on debt restructuring, representing the amounts owed by us to certain suppliers that were waived by the suppliers, (vii) dividend income from an equity investment relating to our investment in a trust company, and (viii) fair value gains on financial liabilities at fair value through profit or loss relating to the changes in the fair value of futures contracts held by us. We recorded other income and gains of RMB12.3 million, RMB13.2 million, and RMB10.1 million in 2023, 2024 and 2025, respectively.

The following table sets forth a breakdown of our other income, gains and losses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
Government grants	1,919	15.5	2,222	16.8	3,702	36.8
Gains on disposal of investment in a joint venture	—	—	806	6.1	—	—
Gains on disposal of financial assets at fair value through profit or loss	—	—	1,712	12.9	—	—
Gains on settlement of provisional pricing arrangements	4,738	38.4	—	—	—	—
Bank interest income	3,151	25.5	3,712	28.1	3,451	34.3
Gains on debt restructuring	1,606	13.0	2,832	21.4	—	—
Dividend income from an equity investment	—	—	—	—	2,520	25.1
Fair value gains on financial liabilities at fair value through profit or loss	—	—	1,620	12.2	—	—
Others	932	7.6	321	2.5	385	3.8
Total	12,346	100.0	13,225	100.0	10,058	100.0
<i>As a % of total revenue</i>		<i>0.3</i>		<i>0.3</i>		<i>0.2</i>

Selling and Distribution Expenses

During the Track Record Period, our selling and distribution expenses primarily consisted of (i) assay and inspection fees incurred for quality inspection of our concentrates to determine metal grades and moisture content for pricing and settlement purposes, (ii) staff costs, consisting of salaries and benefits for our employees, (iii) travel and business development expenses, (iv) professional service fees primarily relating to third-party consulting services, and (v) office-related expenses.

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The following table sets forth a breakdown of our selling and distribution expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
Assay and inspection fees	1,210	37.1	1,545	35.7	2,128	43.2
Staff costs	1,135	34.8	1,429	33.0	1,419	28.8
Travel and business development expenses	482	14.8	484	11.2	574	11.7
Professional service fees	—	—	566	13.1	340	6.9
Office-related expenses	154	4.7	62	1.4	130	2.6
Others ⁽¹⁾	280	8.6	243	5.6	334	6.8
Total	3,261	100.0	4,329	100.0	4,925	100.0
<i>As a % of total revenue</i>		<i>0.1</i>		<i>0.1</i>		<i>0.1</i>

Note:

- (1) Consist primarily of promotion expenses, depreciation and amortization, telecommunication expenses and other miscellaneous expenses.

Our selling and distribution expenses amounted to RMB3.3 million, RMB4.3 million and RMB4.9 million in 2023, 2024 and 2025, respectively, accounting for 0.1%, 0.1%, and 0.1% of our total revenue for the same periods, respectively.

Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (i) staff costs, consisting of salaries and benefits for our employees, (ii) professional service fees primarily relating to legal, audit and valuation services in connection with the execution of our acquisition projects and ordinary operations, (iii) office and travel expenses, (iv) depreciation and amortization primarily relating to our office buildings and motor vehicles, (v) ESG-related expenses relating to soil and water conservation and vegetation restoration, and our contributions to water conservancy fund and disability employment security fund, (vi) repair and maintenance expenses, and (vii) exploration-related expenses.

The following table sets forth a breakdown of our administrative expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
Staff costs	84,853	27.2	102,407	27.5	123,562	31.7
Professional service fees	40,075	12.8	60,612	16.3	68,744	17.6
Office and travel expenses	51,049	16.3	55,691	15.0	64,101	16.4
Depreciation and amortization	56,354	18.0	51,469	13.8	54,456	14.0
ESG-related expenses	22,539	7.2	23,687	6.4	34,801	8.9
Repair and maintenance expenses	15,045	4.8	15,275	4.1	14,770	3.8
Exploration-related expenses	764	0.2	24,487	6.6	5,137	1.3
Others ⁽¹⁾	46,548	13.5	42,010	10.3	31,821	6.3
Total	317,227	100.0	375,638	100.0	397,392	100.0
<i>As a % of total revenue</i>		<i>8.6</i>		<i>8.8</i>		<i>7.2</i>

Note:

- (1) Consist primarily of lease expenses, contracting costs, and other miscellaneous expenses.

Our administrative expenses amounted to RMB317.2 million, RMB375.6 million and RMB397.4 million in 2023, 2024 and 2025, respectively, accounting for 8.6%, 8.8%, and 7.2% of our total revenue for the same periods, respectively.

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Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) expenses of materials and consumables used in our R&D activities, (ii) design fees consisting primarily of geological research and studies on the optimization of exploration technologies and mining methods, (iii) staff costs, consisting of salaries and benefits for our R&D employees, and (iv) third-party R&D expenses.

The following table sets forth a breakdown of our research and development expenses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
R&D materials and consumables	22,529	27.6	41,727	44.4	40,874	35.8
Design fees	35,512	43.6	18,117	19.3	36,792	32.2
Staff costs	13,070	16.0	20,397	21.7	15,652	13.7
Third-party R&D costs	3,224	4.0	6,708	7.1	13,725	12.0
Others ⁽¹⁾	7,171	8.8	7,048	7.5	7,174	6.3
Total	81,506	100.0	93,997	100.0	114,217	100.0
<i>As a % of total revenue</i>		2.2		2.2		2.1

Note:

- (1) Consist primarily of depreciation and amortization expenses and other miscellaneous expenses relating to our research and development.

Our research and development expenses amounted to RMB81.5 million, RMB94.0 million and RMB114.2 million in 2023, 2024 and 2025, respectively, accounting for 2.2%, 2.2%, and 2.1% of our total revenue for the same periods, respectively.

Reversal of Impairment Losses/Impairment Losses on Financial Assets, Net

During the Track Record Period, our reversal of impairment loss/impairment losses under expected credit loss model, net, primarily related to our receivables. We had impairment losses under expected credit loss model, net, RMB8.7 million in 2023, and had reversal of impairment loss under expected credit loss model, net of RMB0.8 million and RMB0.7 million in 2024 and 2025, respectively.

Other Expenses and Losses

During the Track Record Period, our other expenses and losses primarily consisted of (i) loss on disposal of property, plant and equipment, (ii) fair value losses on financial liabilities at fair value through profit or loss relating to the futures contracts held by us, (iii) impairment loss on a joint venture, (iv) liquidated damages and tax late payment charges, (v) donations, and (vi) impairment losses/(reversal of impairment) on inventories.

The following table sets forth a breakdown of our other expenses and losses for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
Donations	1,845	1.7	891	1.2	1,154	3.1
Losses on disposal of property, plant and equipment	31,176	28.2	15,495	21.0	8,120	21.6
Fair value losses on financial liabilities at fair value through profit or loss	1,620	1.5	—	—	8,343	22.2

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	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
Losses on disposal of financial assets at fair value through profit or loss	7	0.0	—	—	1	0.0
Impairment losses on a joint venture	37,738	34.1	47,632	64.6	—	0.0
Impairment losses/(reversal of impairment) on inventories	311	0.3	23	0.0	(48)	(0.1)
Foreign exchange differences, net	—	—	647	0.9	1,784	4.8
Liquidated damages and tax late payment charges	28,803	26.0	2,604	3.5	10,672	28.4
Others	9,195	8.2	6,475	8.8	7,520	20.0
Total	110,695	100.0	73,767	100.0	37,546	100.0

Our other expenses and losses amounted to RMB110.7 million, RMB73.8 million and RMB37.5 million in 2023, 2024 and 2025, respectively, accounting for 3.0%, 1.7%, and 0.7% of our total revenue for the same periods, respectively.

Finance Costs

During the Track Record Period, our finance costs primarily include (i) interest on bank and other loans, (ii) interest on lease liabilities, (iii) discount on notes receivable, (iv) accretion of interest of provision for dismantlement, and (vi) accretion of interest of long-term payable for proceed from mining right assignment.

The following table sets forth a breakdown of our finance costs for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
Interest on bank and other loans	131,042	96.0	109,654	93.4	187,603	87.2
Interest on lease liabilities	7	0.0	1,911	1.6	3,168	1.5
Discount on notes receivable	—	—	—	—	2,898	1.3
Accretion of interest of provision for dismantlement	5,407	4.0	5,830	5.0	7,875	3.7
Accretion of interest of long-term payable for proceed from mining right assignment	—	—	—	—	13,506	6.3
Total	136,456	100.0	117,395	100.0	215,050	100.0

Our finance costs amounted to RMB136.5 million, RMB117.4 million and RMB215.1 million in 2023, 2024 and 2025, respectively, accounting for 3.7%, 2.7%, and 3.9% of our total revenue for the same periods, respectively.

Share of Losses of Associates

Share of losses of associates represents our share in the losses generated by our associates. Our share of losses of associates amounted to RMB12.2 million, RMB8.4 million and RMB6.4 million in 2023, 2024 and 2025, respectively, accounting for 0.3%, 0.2%, and 0.1% of our total revenue for the same periods, respectively.

Share of Losses of a Joint Venture

Share of losses of a joint venture represents our share in the losses generated by our joint venture. Our share of losses of a joint venture amounted to RMB12.4 million, RMB7.2 million and nil in 2023, 2024 and 2025, respectively, accounting for 0.3%, 0.2%, and nil of our total revenue for the same periods, respectively.

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Income Tax Expenses

PRC

During the Track Record Period, all of our profits were derived from our business in Chinese mainland. We recorded income tax of RMB118.5 million, RMB263.3 million, and RMB391.7 million in 2023, 2024 and 2025, respectively.

During the Track Record Period, our four subsidiaries, namely Yinman Mining, Rongguan Mining, Qianjinda Mining and Rongbang Mining, were accredited as a “High and New Technology Enterprises,” and hence were entitled to a preferential enterprise income tax rate of 15% based on the respective term of their High and New Technology Enterprise status. Rongbang Mining’s certificate of High and New Technology Enterprises expired in November 2025. In addition, some subsidiaries are eligible for the Western Development tax incentive policies or tax incentives available to enterprises in Hainan Free Trade Port, and these subsidiaries’ EIT will be levied at a tax rate of 15%. Under the EIT Law and tax-related regulations, except for the preferential tax treatments available to us, subsidiaries within our Group are subject to the statutory enterprise income tax rate of 25% during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute with any tax authority.

Hong Kong

Under the relevant tax laws and implementation regulations in Hong Kong, the applicable tax rate of our Hong Kong subsidiary was 16.5% for the Track Record Period. As we had no assessable profit arising in Hong Kong during the Track Record Period, no Hong Kong income tax has been made in our Company’s consolidated statement of profit or loss and other comprehensive income.

Other Jurisdictions

We acquired Atlantic Tin Limited, a public limited liability company incorporated in Australia with mining assets in Morocco, in 2025. Under Australian tax laws, Atlantic Tin Limited and our Australian subsidiary are subject to the enterprise income tax rate of 30%. Atlantic Tin Limited’s subsidiaries are subject to enterprise income tax rates of 20% or 35% under the tax laws of Kingdom of Morocco, depending on their respective profit before tax. Since our acquisition, Atlantic Tin Limited and its subsidiaries have not generated any taxable profits. For more details, see Note 14 to the Accountants’ Report in Appendix I to this document.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared to Year Ended December 31, 2025

Revenue

Our total revenue increased by 30.1% from RMB4,270.4 million in 2024 to RMB5,555.3 million in 2025, primarily due to the growth of our mining operations.

- Our revenue from silver products increased by 86.7% from RMB1,165.4 million in 2024 to RMB2,175.8 million in 2025, primarily due to increases in both the average selling price and sales volume of silver. The average selling price of silver increased from RMB5,554 per kilogram in 2024 to RMB7,298 per kilogram in 2025, in line with the upward trend in silver market prices in 2025. Our sales volume of silver increased from 209,819 kilogram in 2024 to 298,144 kilogram in 2025, driven by our increased silver production volume primarily attributable to Yubang Mining acquired by us in 2025.
- Our revenue from tin products increased by 16.6% from RMB1,415.4 million in 2024 to RMB1,649.6 million in 2025, primarily due to increases in both the average selling price and sales volume of tin. The average selling price of tin increased from RMB185,947 per tonne in 2024 to RMB208,390 per tonne in 2025, in line with the upward trend in tin market prices in 2025. Our sales volume of tin increased from 7,612 tonnes in 2024 to 7,916 tonnes in 2025.

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2025, primarily because we decided to hold some tin products produced in 2024 in inventory based on our sales strategy and sold such inventory in 2025. In November 2024, following a technical correction in tin prices on the London Metal Exchange, we temporarily stopped tin sales in anticipation of a future price rebound driven by tightening global tin supply. As tin prices recovered in early 2025 amid strong demand growth from the new energy and electronics sectors, we sold the accumulated inventory at more favorable prices, resulting in a substantial increase in tin sales volume and profitability.

- Our revenue from zinc products remained relatively stable in 2024 and 2025, amounting to RMB975.9 million in 2025 and RMB981.0 million in 2024. Our sales volume of zinc increased from 59,259 tonnes in 2024 to 66,223 tonnes in 2025, primarily driven by the increased market demand. The average selling price of zinc decreased from RMB16,555 per tonne in 2024 to RMB14,736 per tonne in 2025, in line with the changes in the market price of zinc in China.
- Our total revenue from other metals and non-metals increased by 7.3% from RMB683.9 million in 2024 to RMB733.7 million in 2025, primarily due to increases in revenue from gold products and antimony products, which were partially offset by a decrease in revenue from iron products.

Our revenue from gold products significantly increased from RMB13.7 million in 2024 to RMB82.3 million in 2025, primarily due to (i) an increase in sales volume of gold, primarily driven by the increased gold production volume attributable to Yubang Mining acquired by us in 2025 and Bosheng Mining which resumed its ore processing in 2025, and (ii) an increase in the average selling price, in line with the upward trend in gold market prices in 2025.

Cost of Sales

Our cost of sales increased by 46.2% from RMB1,840.2 million in 2024 to RMB2,690.9 million in 2025, primarily driven by the increased sales volume of key metal products, including silver, tin, zinc and gold in 2025.

Gross Profit

Our gross profit increased by 17.9% from RMB2,430.2 million in 2024 to RMB2,864.3 million in 2025, which was in line with the growth of our revenue. Our gross profit margin decreased from 56.9% in 2024 to 51.6% in 2025.

- Our gross profit of silver products increased by 63.5% from RMB693.5 million in 2024 to RMB1,133.8 million in 2025. Our gross profit margin of silver products decreased from 59.5% in 2024 to 52.1% in 2025, primarily due to the consolidation of Yubang Mining into our Group. The silver resources of Yubang Mining have lower grades compared to the silver grades of Yinman Mining.
- Our gross profit of tin products increased by 8.5% from RMB962.4 million in 2024 to RMB1,044.3 million in 2025. Our gross profit margin of tin products decreased from 68.0% in 2024 to 63.3% in 2025, primarily due to higher mining and processing costs at Yinman Mining, as the grade of its tin resources extracted in 2025 was lower than that in 2024.
- Our gross profit of zinc products decreased by 16.8% from RMB430.1 million in 2024 to RMB357.9 million in 2025. Our gross profit margin of zinc products decreased from 43.8% in 2024 to 36.7% in 2025, primarily due to the decreased selling prices of zinc in line with the changes in market prices of zinc in China.

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Other Income and Gains

Our other income and gains decreased by 23.9% from RMB13.2 million in 2024 to RMB10.1 million in 2025, primarily because (i) we recorded gain on disposal of financial assets at fair value through profit or loss of RMB1.7 million as we disposed of certain futures contracts in 2024 while we did not sell futures contracts in 2025, and (ii) we recorded gain on debt restructuring of RMB2.8 million in 2024 as certain amounts owed by us to certain suppliers were waived by the suppliers, while we did not record this type of gain in 2025.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 13.8% from RMB4.3 million in 2024 to RMB4.9 million in 2025, primarily attributable to increases in assay and inspection fees, and travel and business development expenses, in line with the rapid growth of our businesses in 2025.

Administrative Expenses

Our administrative expenses increased by 5.8% from RMB375.6 million in 2024 to RMB397.4 million in 2025, primarily attributable to (i) an increase in ESG-related expenses from 2024 to 2025, (ii) an increase in professional service fees in 2025 paid primarily for legal and audit services in connection with the execution of our acquisition projects, and (iii) increases in staff costs and office and travel expenses. These expenses were partially offset by a decrease in exploration-related expenses in 2025, primarily because we conducted more resource verification work for our acquisition projects in 2024.

Research and Development Expenses

Our research and development expenses increased by 21.5% from RMB94.0 million in 2024 to RMB114.2 million in 2025, primarily attributable to (i) increases in design fees incurred by Yinman Mining and Yubang Mining, respectively, for their underground exploration activities aiming to increase their mineral resources, and (ii) an increase in third-party R&D expenses as our collaboration with certain research institutes increased in 2025.

Reversal of Impairment Losses/Impairment Losses on Financial Assets, Net

We had reversal of impairment losses on financial assets of RMB0.8 million in 2024 primarily attributable to our collection of trade receivables and settlement of commercial acceptance bills upon maturity. We had reversal of impairment losses of RMB0.7 million in 2025 because we received an earnest money we paid in 2024 for a proposed acquisition.

Other Expenses and Losses

Our other expenses and losses decreased by 49.1% from RMB73.8 million in 2024 to RMB37.5 million in 2025, primarily attributable to a decrease in impairment losses on a joint venture from RMB47.6 million in 2024 to nil in 2025. We recorded impairment losses for our equity interest Kunming Dongchuan Tongdu Mining Limited (昆明市東川區銅都礦業有限公司) (“**Tongdu Mining**”) in 2023 and 2024 because this entity incurred operating loss. As we lost joint control on this investee in 2024, our equity interest in this entity was reclassified as a financial assets at fair value through profit or loss in 2025. For details of this investee, see Note 21 to the Accountants’ Report in Appendix I to this document.

Finance Costs

Our finance cost increased by 83.2% from RMB117.4 million in 2024 to RMB215.1 million in 2025, primarily due to the increase in interest on bank and other loans.

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Share of Losses of Associates

Our share of losses of associates decreased by 23.1% from RMB8.4 million in 2024 to RMB6.4 million in 2025, primarily reflecting the decreased losses recorded by Chen Barga Banner Tiantong Mining Limited (陳巴爾虎旗天通礦業有限責任公司) (“**Tiantong Mining**”) in which we hold a minority interest.

Share of Losses of a Joint Venture

Our share of losses of a joint venture represented our share of the losses of Tongdu Mining. We recorded share of loss of a joint venture of RMB7.2 million in 2024 due to the loss of Tongdu Mining. Our equity interest in this entity was reclassified as a financial assets at fair value through profit or loss in 2024 and, as a result, we did not record share of loss of a joint venture in 2025.

Income Tax Expenses

Our income tax expenses increased by 48.7% from RMB263.3 million in 2024 to RMB391.7 million in 2025, primarily attributable to increased profits.

Profit for the Year

As a result of the foregoing, our profit for the year amounted to RMB1,500.2 million in 2024 and RMB1,707.8 million in 2025.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 15.2% from RMB3,706.0 million in 2023 to RMB4,270.4 million in 2024, primarily due to the growth of our mining operations.

- Our revenue from silver products increased by 16.9% from RMB996.8 million in 2023 to RMB1,165.4 million in 2024, primarily due to an increase in the average selling price from RMB4,296 per kilogram in 2023 to RMB5,554 per kilogram in 2024, which was partially offset by a decrease in sales volume of silver from 232,051 kilogram in 2023 to 209,819 kilogram in 2024. The average selling price of silver increased in line with the upward trend in silver market prices in 2024. The sales volume of silver in 2023 was higher than that in 2024 because a portion of silver inventory which was produced in 2022 was sold in 2023.
- Our revenue from tin products increased by 6.4% from RMB1,330.3 million in 2023 to RMB1,415.4 million in 2024, primarily due to an increase in the average selling price which was partially offset by a decrease in sales volume of tin. The average selling price of tin increased from RMB154,012 per tonne in 2023 to RMB185,947 per tonne in 2024, in line with the upward trend in tin market prices in 2024. Our sales volume of tin decreased from 8,638 tonnes in 2023 to 7,612 tonnes in 2024, primarily due to our strategic inventory management, where we temporarily reduced sales in anticipation of favorable price movements.
- Our revenue from zinc products increased by 37.8% from RMB712.0 million in 2023 to RMB981.0 million in 2024, primarily due to an increase in the average selling price of zinc from RMB12,829 per tonne in 2023 to RMB16,555 per tonne in 2024, and an increase in zinc sales volume from 55,502 tonnes in 2023 to 59,259 tonnes in 2024.
- Our total revenue from other metals and non-metals slightly increased from RMB659.2 million in 2023 to RMB683.9 million in 2024, primarily due to increases in revenue from lead and iron products.

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Cost of Sales

Our cost of sales decreased by 6.4% from RMB1,965.9 million in 2023 to RMB1,840.2 million in 2024, primarily attributable to (i) a decrease in sales volume of certain metal products, which was generally in line with the decrease in sales volume as discussed above, in particular tin and silver products, and (ii) a reduction in unit production costs driven by enhanced operational efficiency, including higher ore grades and recovery rates as well as cost optimization measures. The decrease in cost of sales was partially offset by an increase in taxes and surcharges, primarily due to higher resource taxes in line with the increase in revenue.

Gross Profit

Our gross profit increased by 39.7% from RMB1,740.1 million in 2023 to RMB2,430.2 million in 2024. Our gross profit margin increased from 47.0% in 2023 to 56.9% in 2024.

- Our gross profit of silver products increased by 51.9% from RMB456.7 million in 2023 to RMB693.5 million in 2024. Our gross profit margin of silver products increased from 45.8% in 2023 to 59.5% in 2024, primarily driven by the increase in market prices of silver.
- Our gross profit of tin products increased by 20.0% from RMB801.9 million in 2023 to RMB962.4 million in 2024. Our gross profit margin of tin products increased from 60.3% in 2023 to 68.0% in 2024, primarily driven by (i) the increase in market prices of tin, and (ii) the reduced unit production costs of tin attributable to Yinman Mining’s enhanced operational efficiency.
- Our gross profit of zinc products increased by 81.1% from RMB237.5 million in 2023 to RMB430.1 million in 2024. Our gross profit margin of zinc products increased from 33.4% in 2023 to 43.8% in 2024, primarily driven by the increase in market prices of zinc.

Other Income and Gains

Our other income and gains increased by 7.1% from RMB12.3 million in 2023 to RMB13.2 million in 2024, primarily attributable to (i) gains on disposal of financial assets at fair value through profit or loss of RMB1.7 million as we disposed of certain futures contracts in 2024 while holding such futures contracts in 2023, (ii) gains on debt restructuring of RMB2.8 million in 2024 as compared to RMB1.6 million in 2023, and (iii) fair value gains on financial liabilities at fair value through profit or loss of RMB1.6 million in connection with the futures contracts held by us. These were partially offset by a decrease in gains on settlement of provisional pricing arrangements as we did not use the quotation period pricing in contracts with customers in 2024.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 30.3% from RMB3.3 million in 2023 to RMB4.3 million in 2024, primarily attributable to (i) an increase in staff costs as a result of the overall growth in our business, and (ii) an increase in professional service fees attributable to consulting services on commodity markets.

Administrative Expenses

Our administrative expenses increased by 18.4% from RMB317.2 million in 2023 to RMB375.6 million in 2024, primarily attributable to (i) an increase in exploration-related expenses attributable to the verification work for the mineral resources and sample collection and testing conducted in connection with our proposed acquisition projects, (ii) an increase in professional service fees for legal, audit and consulting services in connection with our proposed acquisition projects, and (iii) an increase in staff costs, reflecting the increase in bonuses for our employees and our consolidation of Bosheng Mining.

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Research and Development Expenses

Our research and development expenses increased by 15.3% from RMB81.5 million in 2023 to RMB94.0 million in 2024, primarily attributable to (i) an increase in costs of R&D materials and consumables due to our increased investments in research and development of mining and processing technologies, and (ii) an increase in staff costs, reflecting the increase in bonuses for our employees and our new recruitment for research and development talents. These were partially offset by a decrease in design fees. Our design fees incurred primarily relate to geological research and studies on the optimization of exploration technologies and mining methods. The decrease was mainly attributable to fewer underground exploration research projects conducted in 2024 as compared to 2023.

Reversal of Impairment Losses/Impairment Losses on Financial Assets, Net

We recorded impairment losses on financial assets of RMB8.7 million in 2023, primarily due to provision made based on the expected credit loss on the commercial acceptance bills that was used by a customer to settle its payments to us. We made a reversal of impairment losses on financial assets, net of RMB0.8 million in 2024, primarily because the commercial acceptance bills were settled upon maturity.

Other Expenses and Losses

Our other expenses and losses decreased by 33.4% from RMB110.7 million in 2023 to RMB73.8 million in 2024, primarily attributable to (i) a decrease in late payment charges, as we paid the taxes outstanding as of the end of 2023, resulting in a significant reduction in late payment charges in 2024, and (ii) a decrease in loss on disposal of property, plant and equipment in 2024 as compared to 2023 because Yinman Mining began using waste heat purchased from a power company for heating, and therefore retired the old heating equipment in 2023.

Finance Costs

Our finance cost decreased by 14.0% from RMB136.5 million in 2023 to RMB117.4 million in 2024, primarily attributable to (i) a decrease in interest expense on interest-bearing liabilities because we paid interest on prepayments from customers in 2023, and (ii) a decrease in interest on bank and other loans, primarily attributable to the maturity in 2023 of the bonds with an aggregate principal amount of RMB1.1 billion issued by our Company in 2020 and the bonds with an aggregate principal amount of RMB410 million issued by Yinman Mining in 2021, as well as the gradual repayment of the RMB1.08 billion that our Company borrowed from a trust company in 2023.

Share of Losses of Associates

Our share of losses of associates decreased by 31.5% from RMB12.2 million in 2023 to RMB8.4 million in 2024, primarily because (i) the losses incurred by our associate, Tiantong Mining, decreased in 2024, and (ii) our equity interest in Tongdu Mining was recorded as financial assets at fair value through profit or loss from November 2024.

Share of Losses of a Joint Venture

Our share of losses of a joint venture decreased by 42.4% from RMB12.4 million in 2023 to RMB7.2 million in 2024, primarily because the losses incurred by Tongdu Mining, decreased in 2024.

Income Tax Expenses

Our income tax expenses increased by 122.3% from RMB118.5 million in 2023 to RMB263.3 million in 2024, primarily attributable to our increased profits.

Profit for the Year

As a result of the foregoing, our profit for the year amounted to RMB951.4 million in 2023 to RMB1,500.2 million in 2024.

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DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Non-Current Assets:			
Property, plant and equipment	4,842,904	4,856,109	5,479,651
Right-of-use assets	336,756	383,766	442,859
Intangible assets	3,822,526	3,767,120	7,959,600
Goodwill	193,433	193,433	193,433
Investments in associates	181,581	219,031	233,539
Investment in a joint venture	222,364	—	—
Equity investments designated at fair value through other comprehensive income	181,744	201,228	197,657
Deferred tax assets	281,803	280,718	241,341
Financial assets at fair value through profit or loss	—	167,607	167,607
Prepayments, other receivables and other assets	14,800	16,800	—
Other non-current assets	116,244	406,627	215,995
Total Non-Current Assets	10,194,155	10,492,439	15,131,682
Current Assets:			
Inventories	276,353	506,077	574,713
Trade and notes receivables	254,315	4,456	98,369
Prepayments, other receivables and other assets	53,678	56,088	82,114
Restricted cash	24,736	35,748	34,271
Cash and cash equivalents	314,752	1,103,032	1,259,202
Total Current Assets	923,834	1,705,401	2,048,669
Total Assets	11,117,989	12,197,840	17,180,351
Current Liabilities:			
Trade and notes payables	903,153	947,718	1,046,153
Contract liabilities	180,751	34,747	332,443
Financial liabilities at fair value through profit or loss	1,620	—	8,343
Other payables and accruals	1,187,257	881,527	1,112,868
Income tax payables	112,473	65,799	61,570
Short-term bank and other loans	383,574	304,038	665,517
Long-term bank and other loans	157,056	785,770	871,760
Lease liabilities	27,113	13,522	14,380
Other non-current liabilities	—	—	25,896
Total Current Liabilities	2,952,997	3,033,121	4,138,930
Non-current Liabilities:			
Long-term bank and other loans	1,188,086	798,032	2,184,796
Lease liabilities	84	14,568	26,104
Deferred tax liabilities	226,827	202,495	186,687
Provisions	117,612	123,442	155,189
Deferred income	11,955	11,415	11,443
Other non-current liabilities	—	—	287,917
Total Non-current Liabilities	1,544,564	1,149,952	2,852,136
Total Liabilities	4,497,561	4,183,073	6,991,066

Property, Plant and Equipment

Our property, plant and equipment consist primarily of (i) buildings, (ii) mineral assets, (iii) machinery used in our mining operations, (iv) construction in progress, mainly consisting of mines, mineral processing plants and related infrastructure projects that are still under construction and have not yet been completed, (v) motor vehicles, and (vi) other equipment. The following table sets forth the net book value of our property, plant and equipment as of the dates indicated.

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	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Buildings	2,702,615	2,724,439	2,838,093
Mineral assets	1,017,411	966,384	1,085,201
Machinery	611,279	582,736	614,032
Construction in progress	426,479	497,819	844,412
Motor vehicles	14,483	17,997	24,240
Others	70,637	66,734	73,673
Total	4,842,904	4,856,109	5,479,651

The net carrying amounts of our property, plant and equipment remained relatively stable from RMB4,842.9 million as of December 31, 2023 to RMB4,856.1 million as of December 31, 2024. The net carrying amounts of our property, plant and equipment increased from RMB4,856.1 million as of December 31, 2024 to RMB5,479.7 million as of December 31, 2025, primarily because we consolidated Yubang Mining and Atlantic Tin Limited into our Group from 2025.

Intangible Assets

Intangible assets consist primarily of (i) exploration rights, mining rights, exploration and evaluation assets, (ii) patents, and (iii) software. The following table sets forth the carrying amount of other intangible assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Exploration rights, mining rights and exploration and evaluation assets	3,814,846	3,757,912	7,944,962
Patents	244	221	211
Software	7,436	8,987	14,427
Total	3,822,526	3,767,120	7,959,600

The net carrying amounts of our other intangible assets remained relatively stable, amounting to RMB3,822.5 million as of December 31, 2023 and RMB3,767.1 million as of December 31, 2024. The net carrying amounts of our other intangible assets increased from RMB3,767.1 million as of December 31, 2024 to RMB7,959.6 million as of December 31, 2025, primarily because we consolidated Yubang Mining and Atlantic Tin Limited into our Group from 2025.

Goodwill

Our goodwill is acquired in connection with (i) our acquisition of a 51% equity interest in Yitong Mining in May 2013, and (ii) our acquisition of the 100% equity interest in Qianjinda Mining in November 2016. Our goodwill remained stable at RMB193.4 million as of December 31, 2023, 2024 and 2025.

Investments in Associates

Our investments in associates primarily represent our investments in entities which we do not have a controlling interest. Our investments in associates amounted to RMB181.6 million, RMB219.0 million and RMB233.5 million as of as of December 31, 2023, 2024 and 2025, respectively. Our investments in associates as of December 31, 2023 represented our investment in Tiantong Mining. Our investments in associates as of December 31, 2024 and 2025 represented our investments in Tiantong Mining and Far East Gold Limited, an Australia listed company.

Investment in a Joint Venture

Our investment in a joint venture of RMB222.4 million as of December 31, 2023 represented a 49% equity interest in Tongdu Mining that we acquired in 2018. Our investment in a joint venture amounted to nil as of December 31, 2024 and 2025 because we ceased to have joint control over

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Tongdu in December 2024 and our investment was reclassified as a financial asset measured at fair value through profit or loss. For details, see Notes 21 and 24 to the Accountants’ Report in Appendix I to this document.

Other Non-current Assets

The following table sets out a breakdown of our other non-current assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Prepayment for property, plant and equipment and others.	84,603	77,090	188,464
Prepayment for acquisition of a subsidiary.	—	300,000	—
Long-term deferred expenses	31,641	29,537	27,531
Total	116,244	406,627	215,995

Other non-current assets decreased from RMB406.6 million as of December 31, 2024 to RMB216.0 million as of December 31, 2025, primarily due to a decrease in prepayment for equity acquisition as our acquisition of Yubang Mining had been completed. This decrease was partially offset by an increase in prepayment for property, plant and equipment in connection with prepayments for land use rights and equipment by Yubang Mining and Yinman Mining.

Other non-current assets increased from RMB116.2 million as of December 31, 2023 to RMB406.6 million as of December 31, 2024, primarily due to RMB300.0 million in prepayment for our acquisition of Yubang Mining. This was partially offset by a decrease in prepayment for property, plant and equipment and others because (i) certain equipment purchased by Yinman Mining was put into use and the advance payment for such equipment was recorded as carrying value of the equipment, and (ii) certain advance payments for equipment were subject to credit loss and recorded in other receivables.

Inventories

Our inventories primarily consisted of raw materials, work in progress, self-made semi-finished products, and finished goods. Self-made semi-finished products consist primarily of ore inventory that is maintained in advance to support continuous mineral processing to avoid production interruptions at processing plants.

The following table sets out a breakdown of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Raw materials	81,105	69,612	75,134
Work in progress	15,683	19,025	19,464
Self-made semi-finished products	155,916	262,898	315,201
Finished goods	23,649	154,542	164,914
Total	276,353	506,077	574,713

Our inventories increased by 13.6% from RMB506.1 million as of December 31, 2024 to RMB574.7 million as of December 31, 2025, primarily due to (i) an increase in self-made semi-finished products from RMB262.9 million as of December 31, 2024 to RMB315.2 million as of December 31, 2025, primarily because we consolidated Yubang Mining into our Group, resulting in additions of ore inventory held by Yubang Mining, and (ii) an increase in finished goods from RMB154.5 million as of December 31, 2024 to RMB164.9 million as of December 31, 2025, reflecting the increased silver inventory held by Yinman Mining and Qianjinda Mining. We adjusted our inventory for high-grade silver products in late 2025 based on our assessment of market conditions and silver price trends. Following continued declines in silver inventories on major exchanges and expectations of a widening

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global silver supply shortfall, we temporarily suspended sales of certain high-grade silver products in anticipation of more favorable pricing. In early 2026, as demand from the new energy and electronics sectors drove silver prices higher, we released the retained inventory to the market.

Our inventories increased from RMB276.4 million as of December 31, 2023 to RMB506.1 million as of December 31, 2024, primarily due to (i) an increase in finished goods in our inventory because we strategically reduced our sales of tin products when there was a technical correction to the market price of tin in late 2024, and (ii) an increase in self-made semi-finished products because we increased our inventory of certain mineral ores, such as lead-zinc ores and copper-tin ores, to mitigate the fluctuations of ore supplies.

The table below sets forth an aging analysis for our inventories, net of loss allowances as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Within three months	124,300	374,638	481,559
Three months to 12 months	101,188	75,173	45,022
Over one year	50,865	56,266	48,132
Total	276,353	506,077	574,713

The following table sets forth our inventory turnover days for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days	63	77	72

Note:

- (1) Inventory turnover days for a given period is calculated by dividing the average of the opening and ending balances of inventory by cost of sales for that period and multiplied by the number of days in that period (i.e., 360 days for a year).

As of March 31, 2026, approximately RMB434.4 million, or 75.6% of inventory as of December 31, 2025, have been settled.

Trade and Notes Receivables

Our trade and notes receivables consist of trade receivables that primarily arise from our sales of products and services to customers on credit, and notes receivables consisting bank acceptance bills and commercial acceptance bills received from customers in settlement of amounts due to us.

The following table sets forth a breakdown of our trade and notes receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Trade receivables	12,437	4,691	2,680
Notes receivables	250,000	—	95,833
Less: impairment	(8,122)	(235)	(144)
Total	254,315	4,456	98,369

We primarily adopt a prepayment sales model for our mineral products, under which customers are generally required to settle the purchase price in full prior to delivery, or make payments in advance. In accordance with our sales and credit policies, for customers making prepayment purchases, we collect advance payments based on the contractually agreed target sales quantity, combined with

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forecasted product prices to estimate the total value of the products. During the actual settlement process with customers, differences between the estimated settlement amount and the actual settlement amount may result in balances of trade and notes receivables.

Our trade and notes receivables increased from RMB4.5 million as of December 31, 2024 to RMB98.4 million as of December 31, 2025, primarily due to the bank acceptance bills of RMB95.8 million as of December 31, 2025 used by customers to settle their payments to us.

Our trade and notes receivables decreased from RMB254.3 million as of December 31, 2023 to RMB4.5 million as of December 31, 2024, primarily due to (i) a decrease in notes receivables from RMB250.0 million as of December 31, 2023 to nil as of December 31, 2024 because the commercial acceptance bills held by us as the end of 2023 were settled upon maturity in 2024, and (ii) a decrease in trade receivables from RMB12.4 million as of December 31, 2023 to RMB4.7 million as of December 31, 2024.

An aging analysis of the trade and notes receivables as of dates indicated is as follows:

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Less than one year	254,305	4,446	98,313
One to two years	10	10	53
Over two years	—	—	3
Total	254,315	4,456	98,369

As of December 31, 2023, 2024, and 2025 the aging of most of our trade and notes receivables were primarily within one year. The trade and notes receivables with aging more than one year consisted of trade receivables arising from sales of materials, water and electricity.

The following table sets forth our trade and notes receivables turnover days for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Trade and notes receivables turnover days	12	11	3

Note:

- (1) Trade and notes receivables turnover days for a given period is calculated by dividing the average of the opening and ending balances of trade and notes receivables by revenue for that period and multiplied by the number of days in that period (i.e., 360 days for a year).

As of March 31, 2026, approximately RMB2.6 million, or 96.2% of our trade receivables outstanding as of December 31, 2025, have been settled.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets include prepayments, deposits and other receivables, amounts due from related parties, dividends receivable, trust industry protection fund, and other assets.

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Current:			
Prepayments	5,548	5,248	27,726
Deposits and other receivables	28,970	41,536	31,779
Amounts due from related parties	120,117	34,098	34,098
Dividends receivable	441	441	441

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	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trust industry protection fund	—	—	10,800
Other assets	6,295	3,542	5,566
Less: Impairment allowance	(107,693)	(28,777)	(28,296)
Non-current:			
Trust industry protection fund	10,800	10,800	—
Others	4,000	6,000	—
Total	68,478	72,888	82,114

Our prepayments, other receivables and other assets increased by 12.7% from RMB72.9 million as of December 31, 2024 to RMB82.1 million as of December 31, 2025, primarily due to an increase in prepayments which mainly consist of payments made in advance by us for material purchases or services.

Our prepayments, other receivables and other assets increased from RMB68.5 million as of December 31, 2023 to RMB72.9 million as of December 31, 2024, primarily due to an increase in deposits and other receivables, primarily attributable to increased deposits for our leased properties. This increase was partially offset by a decrease in amounts due from related parties. Amounts due from related parties as of December 31, 2023 consisted of (i) the amounts due from Xingye Group, and (ii) the amount due from Tongdu Mining. For details, see Note 28 to the Accountants’ Report in Appendix I to this document.

Right-of-use Assets

We have lease contracts for land used in our mining operations and our office premises. Our right-of-use assets increased from RMB383.8 million as of December 31, 2024 to RMB442.9 million as of December 31, 2025, primarily due to the consolidation of Yubang Mining in 2025. Our right-of-use assets increased from RMB336.8 million as of December 31, 2023 to RMB383.8 million as of December 31, 2024, primarily due to (i) our increased lease for office premises in line with the growth of our business, and (ii) Yinman Mining’s purchase of the land use right of a land parcel.

Restricted Cash

Our restricted cash consist primarily of restricted cash at bank, pledged deposits for bank acceptances, environmental rehabilitation deposits, wage deposits for workers, futures margin deposits and interest on seven-day notice deposits. We recorded restricted cash of RMB24.7 million, RMB35.7 million and RMB34.3 million as of December 31, 2023, 2024 and 2025, respectively.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist of cash and bank balance, and other monetary funds. We recorded cash and cash equivalents of RMB314.8 million, RMB1,103.0 million and RMB1,259.2 million as of December 31, 2023, 2024 and 2025, respectively.

Trade and Notes Payables

Our trade and notes payables include (i) trade payables due to suppliers in our ordinary course of business, (ii) notes payables due to bank acceptance notes issued to our suppliers, and (iii) letter of credit payable. The following table sets forth a breakdown of our trade and notes payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade payables	903,153	929,718	1,013,653

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	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Notes payables	—	18,000	—
Letter of credit payable	—	—	32,500
Total	903,153	947,718	1,046,153

Our trade and notes payables increased from RMB903.2 million as of December 31, 2023 to RMB947.7 million as of December 31, 2024, and further to RMB1,046.2 million as of December 31, 2025, in line with the overall growth in our business.

An aging analysis of the trade and notes payables as of dates indicated is as follows:

	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Within one year	701,612	801,472	873,248
Over one year	201,541	146,246	172,905
Total	903,153	947,718	1,046,153

The following table sets forth our trade and notes payables turnover days for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Trade and notes payables turnover days	185	181	133

Note:

- (1) Trade and notes payables turnover days for a given period is calculated by dividing the average of the opening and ending balances of trade and notes payables by cost of sales for that period and multiplying by the number of days in that period (i.e., 360 days for a year).

As of March 31, 2026, approximately RMB630.5 million, or 62.2% of our trade and notes payables outstanding as of December 31, 2025, have been settled.

Contract Liabilities

Our contract liabilities represent the advances received from customers to purchase our products. Our contract liabilities amounted to RMB180.8 million, RMB34.7 million and RMB332.4 million as of December 31, 2023 and 2024 and 2025, respectively. The significant increase in contract liabilities from the balance as of December 31, 2024 to December 31, 2025 reflected that demand from downstream customers grew rapidly, which resulted in an increase in goods to be delivered as of the year end.

Other Payables and Accruals

Our other payables and accruals primarily consisted of (i) borrowing from non-financial institutions, primarily consisting of Bosheng’s borrowings from its former shareholders prior to our acquisition of Bosheng, (ii) interest payable, primarily consisting of interest accrued on Bosheng’s borrowings from its former shareholders, (iii) construction related security and deposits, (iv) tax late payment charges, (v) salaries, wages and benefits payables, (vi) other tax payables, and (vii) others. The following table sets forth a breakdown of our other payables and accruals as of the dates indicated.

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	As of December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Borrowing from non-financial institutions	280,350	280,350	280,350
Interest payable	311,330	311,330	311,330
Dividends payable	5,519	—	—
Construction related security and deposits	50,216	48,268	68,015
Tax late payment charges payable	117,084	62,192	32,173
Salaries, wages and benefits payables	71,697	82,302	86,394
Other tax payables	276,932	59,808	59,088
Deferred output VAT	23,465	4,507	39,400
Payable for acquisitions of subsidiaries	—	—	42,337
Advanced receipt for disposal of a joint venture	—	—	83,803
Others	50,664	32,770	109,978
Total	1,187,257	881,527	1,112,868

Our other payables and accruals increased to RMB1,112.9 million as of December 31, 2025 from RMB881.5 million as of December 31, 2024, primarily due to (i) advanced receipt for disposal of a joint venture of RMB83.8 million in connection of our disposal of equity interest in Tongdu Mining, (ii) payable for acquisitions of subsidiaries of RMB42.3 million, representing the amounts to be paid to shareholders of Yubang Mining and the shareholders of a subsidiary of Atlantic Tin Limited in connection with our acquisitions in 2025, and (iii) an increase in the others category primarily due to payables and accruals of Yubang Mining and Atlantic Tin Limited which were consolidated into our Group.

Our other payables and accruals decreased from RMB1,187.3 million as of December 31, 2023 to RMB881.5 million as of December 31, 2024, primarily due to decreases in tax late payment charges payables, primarily due to our payments of tax late payment charges from prior years in 2024.

Income Tax Payable

As of December 31, 2023, 2024 and 2025, we recorded income tax payable of RMB112.5 million, RMB65.8 million and RMB61.6 million, respectively.

Short-term and Long-term Bank and Other Loans

During the Track Record Period, we had short-term and long-term bank and other loans. For details, see “— Indebtedness — Bank and Other Loans.”

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity has been, and is expected to continue to be, cash generated from operating activities together with bank and other loans. Our liquidity requirements primarily relate to funding our working capital requirements and our capital expenditures. We had cash and cash equivalents of RMB314.8 million, RMB1,103.0 million and RMB1,259.2 million as of December 31, 2023, 2024 and 2025, respectively. As of March 31, 2026, the latest practicable date for determining our indebtedness, we had cash and cash equivalents of RMB3,868.8 million.

Working Capital Sufficiency

Taking into account our cash flows from operating activities, financial resources available to us and the [REDACTED] from the [REDACTED], our Directors are of the opinion that we have sufficient working capital to cover at least 125% of our costs for at least the next 12 months from the date of this document.

Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of our cash and cash equivalents, bank and other loans and [REDACTED] from the [REDACTED]. Other than the bank and other loans that we may obtain, we currently do not have any plans for material external debt financing. The majority of our projects under development are

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extension projects of our current mines. We believe that we are able to finance such projects using net operating cash flows from our existing operations. For the year ended December 31, 2025, the net cash flows from operating activities were RMB2,488.3 million and the capital expenditures were RMB528.0 million.

Current Assets and Liabilities

The table below sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Current Assets:				
Inventories	276,353	506,077	574,713	348,894
Trade and notes receivables	254,315	4,456	98,369	82,406
Prepayments, other receivables and other assets	53,678	56,088	82,114	112,152
Restricted cash	24,736	35,748	34,271	20,583
Cash and cash equivalents	314,752	1,103,032	1,259,202	3,868,770
Total Current Assets	923,834	1,705,401	2,048,669	4,432,805
Current Liabilities:				
Trade and notes payables	903,153	947,718	1,046,153	632,394
Contract liabilities	180,751	34,747	332,443	310,725
Financial liabilities at fair value through profit or loss	1,620	—	8,343	—
Other payables and accruals	1,187,257	881,527	1,112,868	1,089,660
Income tax payables	112,473	65,799	61,570	184,722
Short-term bank and other loans	383,574	304,038	665,517	671,570
Long-term bank and other loans	157,056	785,770	871,760	799,777
Lease liabilities	27,113	13,522	14,380	12,625
Bond payable	—	—	—	6,898
Other non-current liabilities	—	—	25,896	26,167
Total Current Liabilities	2,952,997	3,033,121	4,138,930	3,734,538
Net Current (Liabilities)/Assets	(2,029,163)	(1,327,720)	(2,090,261)	698,267

We recorded net current assets of RMB698.3 million as of March 31, 2026, as compared to net current liabilities of RMB2,090.3 million as of December 31, 2025, primarily due to a combination of an increase in our current assets and a decrease in our current liabilities. Our current assets increased from RMB2,048.7 million as of December 31, 2025 to RMB4,432.8 million as of March 31, 2026, primarily due to an increase in cash and cash equivalents attributable to the proceeds from the US\$200 million offshore senior unsecured sustainability bonds by our subsidiary in February 2026. Our current liabilities decreased from RMB4,138.9 million as of December 31, 2025 to RMB3,734.5 million as of March 31, 2026, primarily due to a decrease in trade and notes payables.

Our net current liabilities increased from RMB1,327.7 million as of December 31, 2024 to RMB2,090.3 million as of December 31, 2025. This was primarily due to an increase in short-term bank and other loans, an increase in contract liabilities, and an increase in other payables and accruals.

Our net current liabilities decreased from RMB2,029.2 million as of December 31, 2023 to RMB1,327.7 million as of December 31, 2024. This was primarily due to an increase in cash and cash equivalents generated from our operating activities, an increase in inventories, and a decrease in other payables and accruals.

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Cash Flows Analysis

The table below sets forth selected cash flow statement information from our consolidated cash flow statements for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
		<i>(RMB in thousands)</i>	
Operating profit before working capital changes	1,807,337	2,508,482	2,978,289
Changes in working capital	49,464	(356,965)	(186,240)
Income tax paid.	(107,158)	(336,314)	(303,785)
Net cash flows from operating activities	1,749,643	1,815,203	2,488,264
Net cash flows used in investing activities	(949,850)	(1,003,747)	(2,937,349)
Net cash flows (used in)/from financing activities	(582,997)	(22,926)	609,795
Net increase in cash and cash equivalents	216,796	788,530	160,710
Cash and cash equivalents at beginning of year	97,956	314,752	1,103,032
Effect of foreign exchange rate changes, net	—	(250)	(4,540)
Cash and cash equivalents at the end of the year	314,752	1,103,032	1,259,202

Operating Activities

In 2025, we had net cash flows from operating activities of RMB2,488.3 million, primarily due to our profit before tax of RMB2,099.5 million, as adjusted for (1) changes in working capital that negatively affected the cash flows from operating activities, primarily including (i) a decrease in trade and notes payables of RMB210.6 million, (ii) a decrease in other payables and accruals of RMB124.4 million, and (iii) an increase in trade receivables of RMB93.8 million; and (2) certain non-cash or non-operating items that positively affected the cash flows, primarily including depreciation of property, plant and equipment of RMB350.8 million, amortization of other intangible assets of RMB269.5 million, and finance costs of RMB212.5 million.

In 2024, we had net cash flows from operating activities of RMB1,815.2 million, primarily due to our profit before tax of RMB1,763.6 million, as adjusted for (1) changes in working capital that negatively affected the cash flows from operating activities, primarily including (i) a decrease in other payables and accruals of RMB296.8 million, (ii) an increase in inventories of RMB229.7 million, (iii) a decrease in contract liabilities of RMB146.0 million; and (2) certain non-cash or non-operating items that positively affected the cash flows, primarily including depreciation of property, plant and equipment of RMB303.7 million, amortization of other intangible assets of RMB229.0 million, and finance costs of RMB117.4 million.

In 2023, we had cash flows from operating activities of RMB1,749.6 million, primarily due to our profit before tax of RMB1,069.9 million, as adjusted for (1) changes in working capital that positively affected the cash flows from operating activities, primarily including (i) a decrease in inventories of RMB169.3 million, (ii) an increase in other payables and accruals or RMB159.3 million, and (iii) an increase in contract liabilities of RMB39.1 million; and (2) certain non-cash or non-operating items that positively affected the cash flows, primarily including depreciation of property, plant and equipment of RMB275.2 million, amortization of other intangible assets of RMB205.4 million, and finance costs of RMB136.4 million.

Investing Activities

Net cash used in investing activities was RMB2,937.3 million in 2025, primarily due to (i) acquisition of subsidiaries in an amount of RMB2,488.9 million in connection with our acquisitions of Yubang Mining and Atlantic Tin Limited, and (ii) purchases of property, plant and equipment, intangible assets and other non-current assets in an amount of RMB528.0 million. There were partially offset by proceeds from disposal of a joint venture of RMB83.8 million and proceeds from disposal of the debt instruments of RMB16.2 million.

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Net cash used in investing activities was RMB1,003.7 million in 2024, primarily due to (i) purchases of property, plant and equipment, intangible assets and other non-current assets of RMB663.2 million, (ii) payment of earnest money deposits of RMB460.0 million, and (iii) payment of futures margin of RMB179.2 million. These were partially offset by receipt of futures margin of RMB193.1 million and receipt of earnest money deposits of RMB150.0 million.

Net cash used in investing activities was RMB949.9 million in 2023, primarily due to (i) purchases of property, plant and equipment, intangible assets and other non-current assets of RMB657.8 million, and (ii) acquisition of a subsidiary of RMB279.6 million in connection with our acquisition of Bosheng Mining.

Financing Activities

In 2025, we had net cash from financing activities of RMB609.8 million, primarily due to proceeds from borrowings in an amount of RMB3,814.0 million, which was partially offset by repayment of borrowings of RMB2,704.5 million and interest paid of RMB338.2 million.

In 2024, we had net cash used in financing activities of RMB22.9 million, primarily due to (i) repayment of borrowings of RMB454.1 million, (ii) dividends paid in an amount of RMB124.9 million, and (iii) interest paid in an amount of 111.9 million. These were partially offset by proceeds from borrowings in an amount of RMB713.0 million.

In 2023, we had net cash used in financing activities of RMB583.0 million, primarily due to (i) repayment of borrowings of RMB2,318.1 million, and (ii) interest paid in an amount of RMB124.0 million. These were partially offset by proceeds from borrowings in an amount of RMB1,772.8 million.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures, primarily consisting of purchases of fixed assets, purchase of construction in progress, purchase of intangible assets, amounted to RMB657.8 million, RMB663.2million and RMB528.0 million in 2023, 2024, 2025, respectively. We intend to fund our future capital expenditures with net proceeds from equity and debt financings and our operating cash flows.

CONTRACTUAL OBLIGATIONS

Capital Commitments

The following table sets forth a summary of our capital commitments of property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Contracted, but not provided for:			
Property, plant and equipment	11,799	7,302	114,378

In addition, we also had capital commitment of RMB307.8 million as of December 31, 2025 in connection with the proposed acquisition of Willing New Energy. For more details, see Note 50 to the Accountants’ Report in Appendix I to this document.

Contingent Liabilities

As of December 31, 2023, 2024 and 2025, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against us or any member of our Group that is likely to have a material and adverse effect on our business, financial condition and result of operations.

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INDEBTEDNESS

As of December 31, 2023, 2024 and 2025 and March 31, 2026, our indebtedness primarily consisted of bank and other loans, lease liabilities, other payables and accruals, bond payable and other non-current liabilities.

The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Current:				
Short-term bank and other loans	383,574	304,038	665,517	671,570
Long-term bank and other loans	157,056	785,770	871,760	799,777
Other non-current liabilities	—	—	25,896	26,167
Lease liabilities	27,113	13,522	14,380	12,625
Bond payable.	—	—	—	6,898
Other payables and accruals	591,680	591,680	618,147	617,588
Subtotal	1,159,423	1,695,010	2,195,700	2,134,625
Non-current:				
Long-term bank and other loans	1,188,086	798,032	2,184,796	2,377,980
Lease liabilities	84	14,568	26,104	26,688
Other non-current liabilities	—	—	287,917	290,926
Bond payable.	—	—	—	1,370,280
Subtotal	1,188,170	812,600	2,498,817	4,065,874
Total	2,347,593	2,507,610	4,694,517	6,200,499

Bank and Other Loans

The following table sets forth a breakdown of our bank and other loans as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Short-term bank and other loans	383,574	304,038	665,517	671,570
Long-term bank and other loans	1,345,142	1,583,802	3,056,556	3,177,757
Total bank and other loans	1,728,716	1,887,840	3,722,073	3,849,327
Secured	1,728,716	1,877,825	3,722,073	3,849,327
Unsecured.	—	10,015	—	—
Total bank and other loans	1,728,716	1,887,840	3,722,073	3,849,327

As of December 31, 2023, 2024, and 2025 and March 31, 2026, we had total bank and other loans of RMB1,728.7 million, RMB1,887.8 million, RMB3,722.1 million and RMB3,849.3 million, respectively.

Among our bank and other loans as of December 31, 2023, 2024 and 2025 and March 31, 2026, (i) nil, RMB10.0 million, nil and nil were unsecured, respectively, and (ii) RMB1,728.7 million, RMB1,877.8 million, RMB3,722.1 million and RMB3,849.3 million were secured, respectively. The effective interest rates of our interest-bearing bank and other loans ranged from 1.67% to 7.30% per annum in 2023, ranged from 3.95% to 7.30% per annum in 2024, and ranged from 3.23% to 6.28% per annum in 2025. The maturity of our long-term bank and other loans typical ranges between two years to six years. For details, see Note 35 to the Accountants’ Report in Appendix I to this document.

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Our bank loans consist primarily of bilateral loans and syndicated loans. Our bank loans contain standard terms, conditions and covenants that are customary for commercial bank loans in China. The agreements we signed for our borrowings are usually based on form agreements provided by the lending banks or syndicates, which generally include the following major covenants. In accordance with such covenants, except for certain exceptions (such as obtaining from the lender), the borrower and its controlling shareholders (as the case may be) may not:

- incur additional indebtedness or provide guarantees in respect of third-party obligations;
- create or permit to subsist any security interests over our assets;
- enter into mergers, acquisitions, reorganizations or other similar transactions;
- dispose of material assets or make significant external investments; or
- declare or distribute dividends or other similar payments under certain circumstances.

Events of default under our bank loan agreements generally include, among others, non-payment of principal or interest when due, breach of covenants, misrepresentation, cross-default, insolvency or bankruptcy, material adverse changes and other events which may have a material adverse effect on our ability to perform our obligations under the relevant agreements.

Other payable and accruals

As of December 31, 2023, 2024 and 2025 and March 31, 2026, other payables and accruals primarily consisted of Bosheng Mining’s borrowing from its former shareholders prior to our acquisition of Bosheng Mining and interest payable accrued on Bosheng Mining’s borrowing.

Lease Liabilities

Our lease liabilities mainly consisted of lease for our headquarters in Chifeng, as well as land and equipment used in our subsidiaries’ operations. During the Track Record Period. Our lease liabilities remained relatively stable at RMB27.2 million, RMB28.1 million, RMB40.5 million and RMB39.3 million as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively.

Bond Payable

As of March 31, 2026, we had bond payable of RMB1,377.2 million, representing the balances of the principal of and interest accrued on our US\$200 million 7.40% offshore senior bonds. To further broaden our overseas financing channels, optimize our financing structure, and promote our sustainable and stable development, our overseas subsidiary Xingye Gold (Hong Kong) issued US\$200 million offshore senior unsecured sustainability bonds in February 2026, which were listed on the Stock Exchange.

Indebtedness Statement

Except as discussed above, as of March 31, 2026, the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing. As of March 31, 2026, we did not have plans for other material external debt financing.

Our Directors confirm that (i) there has not been any material change in our indebtedness since March 31, 2026 and up to the Latest Practicable Date, (ii) during the Track Record Period and up to the date of this document, we did not have any material default on our indebtedness or breach of covenant, and (iii) during the Track Record Period and up to the date of this document, we did not experience any difficulty in obtaining bank loans and other borrowings.

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KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of and for the periods indicated.

	As of / For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Profitability indicators:			
Gross profit margin	47.0%	56.9%	51.6%
Net profit margin	25.7%	35.1%	30.7%
Return on assets ⁽¹⁾	9.2%	12.9%	11.6%
Return on equity ⁽²⁾	16.0%	21.2%	19.6%
Liquidity indicators:			
Current ratio ⁽³⁾	0.3	0.6	0.5
Quick ratio ⁽⁴⁾	0.2	0.4	0.4
Gearing ratio ⁽⁵⁾	35.5%	31.3%	46.1%

Notes:

- (1) Return on assets ratio is calculated using net profit for the year divided by the average total assets at the beginning and the end of the corresponding period, multiplied by 100%.
- (2) Return on equity ratio is calculated using net profit for the year attributable to owners of the parent divided by the average of total equity attributable to owners of the parent at the beginning and the end of the corresponding period, multiplied by 100%.
- (3) Current ratio is calculated using total current assets divided by total current liabilities.
- (4) Quick ratio is calculated using total current assets less inventories divided by total current liabilities.
- (5) Gearing ratio is calculated by dividing total debt (which includes current and non-current bank loans, lease liabilities and other borrowings) by total equity, multiplied by 100%.

RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 44 of the Accountants’ Report in Appendix I to this document.

Our Directors are of the view that each of the related party transactions set out in Note 44 to the Accountants’ Report in Appendix I to this document was conducted in the ordinary course of business on an arm’s-length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet commitments and arrangements.

FINANCIAL RISKS DISCLOSURE

We are exposed to various risks in relation to financial instruments in our daily operations, mainly including credit risk, liquidity risk and market risk (including interest rate risk and exchange rate risk). Our major financial instruments primarily include lease liabilities, short-term loans, long-term loans, trade and notes payables, financial liabilities included in other payables and accruals, and other non-current liabilities. See Note 47 of the Accountants’ Report in Appendix I to this document.

DIVIDENDS

We paid cash dividends to our Shareholders of RMB31.2 million, RMB119.4 million and RMB124.3 million in 2023, 2024 and 2025, respectively. For details, see Note 16 to the Accountants’ Report in Appendix I to this document. On April 20, 2026, our Board approved the proposed dividend for the year 2025. The total dividend for 2025 amounts to approximately RMB195.3 million. The proposed dividend is subject to the shareholders’ approval at the 2025 annual general meeting. For more details, see Note 50 to the Accountants’ Report in Appendix I to this document.

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After the completion of the [REDACTED], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. In principle, we prioritize cash dividends as the profit distribution method if the conditions for cash dividends are met. When we have major investment plans or significant cash expenditures, we may distribute dividends in the form of share dividends. A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory and regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Our Shareholders may approve any declaration of dividends.

We do not currently have any predetermined dividend pay-out ratio. According to applicable laws in China and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations: (i) recovery of the losses incurred in previous years, (ii) allocations to the statutory reserve equivalent to 10% of our profit after tax, (iii) allocations to a discretionary common reserve of certain percentage of our profit after tax that are approved by Shareholders’ general meeting. The aggregate amount of profits distributed by us in cash over the most recent three years shall be no less than 30% of the average annual distributable profits realized during such three-year period. The profit to be distributed shall not exceed the amount of accumulated distributable profits. In addition, the Board should, after taking into account factors such as the characteristics of the industry in which we operate and its stage of development, as well as our operating model, profitability and whether there are any significant capital expenditure arrangements, adopt a differentiated cash dividend policy.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had approximately RMB4,742.5 million of retained earnings available for distribution to our Shareholders.

[REDACTED]

SUBSEQUENT EVENTS

To further broaden our overseas financing channels, optimize our financing structure, and promote our sustainable and stable development, our overseas subsidiary Xingye Gold (Hong Kong) issued US\$200 million offshore senior unsecured sustainability bonds in February 2026, which were listed on The Stock Exchange of Hong Kong Limited.

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On November 28, 2025, our Board approved the proposed acquisition of Willing New Energy by our subsidiary, Shannan Antimony-Gold. Upon completion of the contemplated acquisition, Shannan Antimony-Gold will hold a total of 20,233,784 shares in Willing New Energy, accounting for 7.7646% of Willing New Energy’s total share capital. The total consideration for the acquisition is approximately RMB307.8 million. Following the completion of the transaction, Shannan Antimony-Gold will become the largest shareholder of Willing New Energy.

On March 2, 2026, our Board approved the disposal of a 60% equity interest in Xilingol League Shuangyuan Non-Ferrous Metals Smelting Co., Ltd. (“**Shuangyuan**”). Pursuant to the Board’s resolution, we disposed of its entire 60% equity interest in Shuangyuan by transferring a 30% equity interest to each of two third parties. The consideration for each tranche was approximately RMB103.8 million, resulting in an aggregate transaction value of approximately RMB207.7 million. On March 13, 2026, we received the full equity transfer consideration.

On May 6, 2026, Xinda Mining, our wholly-owned subsidiary, entered into a share transfer agreement with the shareholders to acquire a 100% equity interest in Sunshine Mining Investment.

For more details, see Note 50 to the Accountants’ Report in Appendix I to this document.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the periods reported in Appendix I to this document, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.