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## APPENDIX I

## ACCOUNTANTS’ REPORT

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*[To insert the firm’s letterhead]*

### ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF INNER MONGOLIA XINGYE SILVER & TIN MINING CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

#### Introduction

We report on the historical financial information of Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages [I-3] to [I-95], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “**Relevant Periods**”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages [I-3] to [I-95] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “**Document**”) in connection with the initial [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

#### Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

#### Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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### Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

### Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

### Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

### Dividends

We refer to note 16 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

[•]  
*Certified Public Accountants*  
Hong Kong  
*[Date]*

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### I. HISTORICAL FINANCIAL INFORMATION

#### Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by [•] in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	<i>Notes</i>	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2024</b>	<b>Year ended 31 December 2025</b>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE . . . . .	7	3,706,005	4,270,387	5,555,254
Cost of sales . . . . .		(1,965,905)	(1,840,170)	(2,690,943)
Gross profit . . . . .		1,740,100	2,430,217	2,864,311
Other income and gains . . . . .	10	12,346	13,225	10,058
Selling and distribution expenses . . . . .		(3,261)	(4,329)	(4,925)
Administrative expenses . . . . .		(317,227)	(375,638)	(397,392)
Research and development expenses . . . . .		(81,506)	(93,997)	(114,217)
(Impairment losses)/reversal of impairment losses on financial assets, net. . . . .		(8,705)	784	724
Other expenses and losses . . . . .	11	(110,695)	(73,767)	(37,546)
Finance costs . . . . .	12	(136,456)	(117,395)	(215,050)
Share of losses of associates . . . . .		(12,243)	(8,385)	(6,447)
Share of losses of a joint venture . . . . .		(12,442)	(7,162)	—
PROFIT BEFORE TAX . . . . .	13	1,069,911	1,763,553	2,099,516
Income tax expenses . . . . .	14	(118,477)	(263,323)	(391,691)
PROFIT FOR THE YEAR . . . . .		<u>951,434</u>	<u>1,500,230</u>	<u>1,707,825</u>
Attributable to:				
Owners of the parent . . . . .		967,446	1,528,187	1,707,509
Non-controlling interests . . . . .		(16,012)	(27,957)	316
		<u>951,434</u>	<u>1,500,230</u>	<u>1,707,825</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic ( <i>RMB</i> ) . . . . .	15	<u>0.5266</u>	<u>0.8341</u>	<u>0.9616</u>
Diluted ( <i>RMB</i> ) . . . . .		<u>0.5266</u>	<u>0.8341</u>	<u>0.9616</u>

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**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
PROFIT FOR THE YEAR. . . . .	951,434	1,500,230	1,707,825
Other comprehensive (loss)/income that may not be reclassified to profit or loss in subsequent periods, net of tax:			
Fair value changes on equity investments designated at fair value through other comprehensive income			
Changes in fair value . . . . .	(19,916)	19,484	(3,572)
Income tax effect . . . . .	4,979	(4,871)	893
Net other comprehensive (loss)/income that may not be reclassified to profit or loss in subsequent periods . . . . .	(14,937)	14,613	(2,679)
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods, net of tax:			
Exchange differences on translation of foreign operations . . . . .	—	(260)	5,723
Share of other comprehensive income of associates that will be reclassified to profit or loss . . . . .	—	—	586
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods . . . . .	—	(260)	6,309
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX . . . . .</b>	<b>(14,937)</b>	<b>14,353</b>	<b>3,630</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR. . . . .</b>	<b>936,497</b>	<b>1,514,583</b>	<b>1,711,455</b>
Attributable to:			
Owners of the parent . . . . .	952,509	1,542,540	1,708,448
Non-controlling interests . . . . .	(16,012)	(27,957)	3,007
	<b>936,497</b>	<b>1,514,583</b>	<b>1,711,455</b>

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**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<i>Notes</i>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2025</b>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment . . . . .	17	4,842,904	4,856,109	5,479,651
Right-of-use assets . . . . .	18(a)	336,756	383,766	442,859
Intangible assets . . . . .	19	3,822,526	3,767,120	7,959,600
Goodwill . . . . .	20	193,433	193,433	193,433
Investments in associates . . . . .	21(a)	181,581	219,031	233,539
Investment in a joint venture . . . . .	21(a)	222,364	—	—
Equity investments designated at fair value through other comprehensive income . . . . .	22	181,744	201,228	197,657
Deferred tax assets . . . . .	23	281,803	280,718	241,341
Financial assets at fair value through profit or loss . . . . .	24	—	167,607	167,607
Prepayments, other receivables and other assets . . . . .	28	14,800	16,800	—
Other non-current assets . . . . .	25	116,244	406,627	215,995
<b>TOTAL NON-CURRENT ASSETS . . . . .</b>		<b>10,194,155</b>	<b>10,492,439</b>	<b>15,131,682</b>
<b>CURRENT ASSETS</b>				
Inventories . . . . .	26	276,353	506,077	574,713
Trade and notes receivables . . . . .	27	254,315	4,456	98,369
Prepayments, other receivables and other assets . . . . .	28	53,678	56,088	82,114
Restricted cash . . . . .	29	24,736	35,748	34,271
Cash and cash equivalents . . . . .	29	314,752	1,103,032	1,259,202
<b>TOTAL CURRENT ASSETS . . . . .</b>		<b>923,834</b>	<b>1,705,401</b>	<b>2,048,669</b>
<b>TOTAL ASSETS . . . . .</b>		<b>11,117,989</b>	<b>12,197,840</b>	<b>17,180,351</b>
<b>CURRENT LIABILITIES</b>				
Trade and notes payables . . . . .	31	903,153	947,718	1,046,153
Contract liabilities . . . . .	32	180,751	34,747	332,443
Financial liabilities at fair value through profit or loss . . . . .	30	1,620	—	8,343
Other payables and accruals . . . . .	33	1,187,257	881,527	1,112,868
Income tax payable . . . . .		112,473	65,799	61,570
Short-term bank and other loans . . . . .	34	383,574	304,038	665,517
Long-term bank and other loans . . . . .	35	157,056	785,770	871,760
Lease liabilities . . . . .	18(b)	27,113	13,522	14,380
Other non-current liabilities . . . . .	37	—	—	25,896
<b>TOTAL CURRENT LIABILITIES . . . . .</b>		<b>2,952,997</b>	<b>3,033,121</b>	<b>4,138,930</b>
<b>NET CURRENT LIABILITIES . . . . .</b>		<b>(2,029,163)</b>	<b>(1,327,720)</b>	<b>(2,090,261)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES . . . . .</b>		<b>8,164,992</b>	<b>9,164,719</b>	<b>13,041,421</b>

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	<i>Notes</i>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2025</b>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>				
Long-term bank and other loans . . . . .	35	1,188,086	798,032	2,184,796
Lease liabilities . . . . .	18(b)	84	14,568	26,104
Deferred tax liabilities . . . . .	23	226,827	202,495	186,687
Provisions . . . . .	36	117,612	123,442	155,189
Deferred income . . . . .		11,955	11,415	11,443
Other non-current liabilities . . . . .	37	—	—	287,917
<b>TOTAL NON-CURRENT LIABILITIES . . . .</b>		<b>1,544,564</b>	<b>1,149,952</b>	<b>2,852,136</b>
<b>NET ASSETS . . . . .</b>		<b>6,620,428</b>	<b>8,014,767</b>	<b>10,189,285</b>
<b>EQUITY</b>				
Equity attributable to owners of the parent				
Share capital . . . . .	38	1,837,192	1,775,636	1,775,636
Reserves . . . . .	39	4,673,637	6,157,489	7,742,034
		6,510,829	7,933,125	9,517,670
Non-controlling interests . . . . .		109,599	81,642	671,615
<b>TOTAL EQUITY . . . . .</b>		<b>6,620,428</b>	<b>8,014,767</b>	<b>10,189,285</b>

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**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**Year ended 31 December 2023**

	Attributable to owners of the parent				Non-controlling interests	Total equity
	Share capital	Other reserves*	Retained profits*	Total		
	RMB'000 (note 38)	RMB'000	RMB'000	RMB'000		
At 1 January 2023 . . . . .	1,837,192	2,532,738	1,218,853	5,588,783	5,611	5,594,394
Profit for the year . . . . .	—	—	967,446	967,446	(16,012)	951,434
Other comprehensive loss for the year:						
Fair value changes on equity investments designated at fair value through other comprehensive income, net of tax . . . . .	—	(14,937)	—	(14,937)	—	(14,937)
Total comprehensive income for the year. . . . .	—	(14,937)	967,446	952,509	(16,012)	936,497
Acquisition of a subsidiary (note 48) . . . . .	—	—	—	—	120,000	120,000
2022 dividend paid . . . . .	—	—	(31,232)	(31,232)	—	(31,232)
Appropriation of maintenance and production funds . . . . .	—	147,081	(147,081)	—	—	—
Utilisation of maintenance and production funds . . . . .	—	(145,472)	145,472	—	—	—
Transfer of statutory surplus reserve from retained profits . . . . .	—	19,856	(19,856)	—	—	—
Others . . . . .	—	769	—	769	—	769
At 31 December 2023. . . . .	1,837,192	2,540,035	2,133,602	6,510,829	109,599	6,620,428

**Year ended 31 December 2024**

	Attributable to owners of the parent				Non-controlling interests	Total equity
	Share capital	Other reserves*	Retained profits*	Total		
	RMB'000 (note 38)	RMB'000	RMB'000	RMB'000		
At 1 January 2024 . . . . .	1,837,192	2,540,035	2,133,602	6,510,829	109,599	6,620,428
Profit for the year . . . . .	—	—	1,528,187	1,528,187	(27,957)	1,500,230
Other comprehensive income/(loss) for the year:						
Fair value changes on equity investments designated at fair value through other comprehensive income, net of tax . . . . .	—	14,613	—	14,613	—	14,613
Exchange differences on translation of foreign operations . . . . .	—	(260)	—	(260)	—	(260)
Total comprehensive income for the year. . . . .	—	14,353	1,528,187	1,542,540	(27,957)	1,514,583
2023 dividend paid . . . . .	—	—	(119,417)	(119,417)	—	(119,417)
Appropriation of maintenance and production funds . . . . .	—	169,023	(169,023)	—	—	—
Utilisation of maintenance and production funds . . . . .	—	(168,730)	168,730	—	—	—
Transfer of statutory surplus reserve from retained profits . . . . .	—	145,523	(145,523)	—	—	—
Buy-back and cancellation of shares (note) . . . . .	(61,556)	61,498	—	(58)	—	(58)
Others . . . . .	—	(769)	—	(769)	—	(769)
At 31 December 2024. . . . .	1,775,636	2,760,933	3,396,556	7,933,125	81,642	8,014,767

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*Note:* During the year ended 31 December 2016, the Company acquired 100% equity interest in Xiwuzhumuqin Qi Yinman Mining Co., Ltd. (“**Yinman Mining**”) from Inner Mongolia Xingye Group Co., Ltd. (“**Xingye Group**”), Ji Xiang, Ji Wei, Ji Zhe (together referred as “**Acting in Concert Persons**”) and eight partnership enterprises via share issuance and cash consideration, at a total transaction value of RMB2,414 million. Under the performance compensation agreement and its supplementary agreements, Yinman Mining failed to meet its cumulative performance commitments for the three-year period from 1 January 2017 to 31 December 2019. Accordingly, Xingye Group and the Acting in Concert Persons were required to pay the total performance compensation of RMB771 million to the Company. Such compensation obligation corresponded to and would be settled by the buy-back and cancellation of 127,156,540 shares, of which 65,600,060 shares were allocated to Xingye Group and 61,556,480 shares were allocated to the Acting in Concert Persons.

During the year ended 31 December 2022, Xingye Group failed to discharge its performance compensation obligations, as its shares earmarked for buy-back and cancellation were under pledge, while Xingye Group was undergoing restructuring. The 61,556,480 shares attributable to the Acting in Concert Persons were subsequently bought back and cancelled by the Company during the year ended 31 December 2024.

**Year ended 31 December 2025**

	Attributable to owners of the parent			Total	Non-controlling interests	Total equity
	Share capital	Other reserves*	Retained profits*			
	RMB'000 (note 38)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025 . . . . .	1,775,636	2,760,933	3,396,556	7,933,125	81,642	8,014,767
Profit for the year . . . . .	—	—	1,707,509	1,707,509	316	1,707,825
Other comprehensive income for the year:						
Fair value changes on equity investments designated at fair value through other comprehensive income, net of tax . . . . .	—	(2,679)	—	(2,679)	—	(2,679)
Exchange differences on translation of foreign operations . . . . .	—	3,032	—	3,032	2,691	5,723
Share of other comprehensive income of associates that will be reclassified to profit or loss . . . . .	—	586	—	586	—	586
Total comprehensive income for the year. . .	—	939	1,707,509	1,708,448	3,007	1,711,455
2024 dividend paid . . . . .	—	—	(124,295)	(124,295)	—	(124,295)
Appropriation of maintenance and production funds . . . . .	—	257,991	(257,991)	—	13,677	13,677
Utilisation of maintenance and production funds . . . . .	—	(250,247)	250,247	—	(13,677)	(13,677)
Transfer of statutory surplus reserve from retained profits . . . . .	—	229,512	(229,512)	—	—	—
Acquisition of subsidiaries (note 48). . . . .	—	—	—	—	586,966	586,966
Others . . . . .	—	392	—	392	—	392
At 31 December 2025. . . . .	1,775,636	2,999,520	4,742,514	9,517,670	671,615	10,189,285

\* These reserve accounts comprise the consolidated reserves of RMB4,673,637,000, RMB6,157,489,000 and RMB7,742,034,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

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**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<i>Notes</i>	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2024</b>	<b>Year ended 31 December 2025</b>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax . . . . .		1,069,911	1,763,553	2,099,516
Adjustments for:				
Impairment/(reversal of impairment) losses on inventories . . . . .	<i>11</i>	311	23	(48)
Impairment losses on a joint venture . . . . .	<i>11</i>	37,738	47,632	—
Depreciation of property, plant and equipment . . . . .	<i>13</i>	275,172	303,735	350,810
Depreciation of right-of-use assets . . . . .	<i>13</i>	20,260	21,763	24,271
Amortisation of other intangible assets . . . . .	<i>13</i>	205,445	228,962	269,524
Amortisation of non-current assets . . . . .	<i>13</i>	2,213	2,131	2,007
Loss on disposal of non-current assets . . . . .	<i>11</i>	31,176	15,495	8,120
Fair value changes of financial assets and liabilities . . . . .	<i>10,11</i>	1,620	(1,620)	8,343
Loss/(gain) allowances, net of reversal . . . . .		8,705	(784)	(724)
Finance costs . . . . .	<i>12</i>	136,438	117,395	212,542
Share of losses of associates . . . . .		12,243	8,385	6,447
Share of losses of a joint venture . . . . .		12,442	7,162	—
Dividend income from an equity investment . . . . .	<i>10</i>	—	—	(2,520)
Gains on settlement of provisional price arrangements . . . . .	<i>10</i>	(4,738)	—	—
Gain on disposal of an investment in a joint venture . . . . .	<i>10</i>	—	(806)	—
Gains on disposal of financial assets at fair value through profit or loss . . . . .	<i>10</i>	—	(1,712)	—
Losses on disposal of financial assets at fair value through profit or loss . . . . .	<i>11</i>	7	—	1
Gains on debt restructuring . . . . .	<i>10</i>	(1,606)	(2,832)	—
Subtotal . . . . .		1,807,337	2,508,482	2,978,289
Decrease/(increase) in inventories . . . . .		169,298	(229,747)	(43,641)
(Increase)/decrease in trade receivables . . . . .		(260,176)	157,746	(93,822)
Decrease/(increase) in prepayments, other receivables and other assets . . . . .		17,044	(18,776)	(11,513)
(Decrease)/increase in trade and notes payables . . . . .		(75,062)	176,605	(210,584)
Increase/(decrease) in other payables and accruals . . . . .		159,284	(296,789)	(124,376)
Increase/(decrease) in contract liabilities . . . . .		39,076	(146,004)	297,696
Cash generated from operations . . . . .		1,856,801	2,151,517	2,792,049
Income tax paid . . . . .		(107,158)	(336,314)	(303,785)
Net cash flows from operating activities . . . . .		1,749,643	1,815,203	2,488,264

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	<i>Notes</i>	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2024</b>	<b>Year ended 31 December 2025</b>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash flows from operating activities . . .		1,749,643	1,815,203	2,488,264
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal of property, plant and equipment, intangible assets, and other non-current assets . . . . .		1,516	1,036	939
Investments in an associate . . . . .		—	(45,836)	(21,444)
Acquisition of subsidiaries . . . . .		(279,578)	—	(2,488,911)
Dividends and interest received . . . . .		—	—	2,520
Proceeds from disposal of a joint venture . . .		—	—	83,803
Proceeds from disposal of debt instruments .		—	—	16,197
Purchases of property, plant and equipment, intangible assets and other non-current assets . . . . .		(657,792)	(663,200)	(528,033)
Receipt of futures margin . . . . .		42	193,093	1,519
Payment of futures margin . . . . .		(14,038)	(179,232)	(13,939)
Receipt of earnest money deposits . . . . .		—	150,000	10,000
Payment of earnest money deposits . . . . .		—	(460,000)	—
Payment of asset retirement obligations . . . .		—	(1,458)	—
Proceeds from investment in futures . . . . .		—	1,850	—
Net cash flows used in investing activities . .		(949,850)	(1,003,747)	(2,937,349)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Capital element of lease rentals paid . . . . .		(4,510)	(41,009)	(14,750)
Interest element of lease rentals paid . . . . .		(7)	(1,911)	(3,168)
Interest paid . . . . .		(123,978)	(111,874)	(338,246)
Proceeds from new borrowings . . . . .		1,772,829	713,000	3,814,000
Repayments of borrowings . . . . .		(2,318,117)	(454,134)	(2,704,460)
Advances from shareholders . . . . .		500	373,032	—
Return of advances from shareholders . . . . .		—	(373,094)	—
Dividends paid . . . . .		(25,714)	(124,936)	(124,295)
Dividends paid to a non-controlling shareholder . . . . .		—	—	(19,286)
Withdrawal of loans deposits . . . . .		155,800	—	—
Placement of loans deposits . . . . .		(39,800)	(2,000)	—
Net cash flows (used in)/from financing activities . . . . .		(582,997)	(22,926)	609,795
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS . . . . .</b>		<b>216,796</b>	<b>788,530</b>	<b>160,710</b>
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)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR . . . . .</b>	<b>29</b>	<b>314,752</b>	<b>1,103,032</b>	<b>1,259,202</b>

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**STATEMENTS OF FINANCIAL POSITION OF THE COMPANY**

	<i>Notes</i>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2025</b>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment . . . . .	17	3,201	2,729	2,052
Right-of-use assets . . . . .	18(a)	—	27,065	13,533
Intangible assets . . . . .	19	624	15,823	709
Investments in subsidiaries . . . . .	21(b)	4,338,152	4,709,869	7,995,809
Investment in an associate . . . . .	21(a)	47,854	39,468	39,476
Investment in a joint venture . . . . .	21(a)	222,364	—	—
Equity investments designated at fair value through other comprehensive income . . . . .	22	181,744	201,228	197,657
Deferred tax assets . . . . .	23	96,853	105,623	44,982
Financial assets at fair value through profit or loss . . . . .	24	—	167,607	167,607
Prepayments, other receivables and other assets . . . . .	28	10,800	10,800	—
Other non-current assets . . . . .	25	424,927	300,233	1,624,476
<b>TOTAL NON-CURRENT ASSETS . . . . .</b>		<b>5,326,519</b>	<b>5,580,445</b>	<b>10,086,301</b>
<b>CURRENT ASSETS</b>				
Inventories . . . . .	26	96	81	36
Prepayments, other receivables and other assets . . . . .	28	711,458	1,414,815	431,072
Cash and cash equivalents . . . . .	29	685	164,117	9,755
<b>TOTAL CURRENT ASSETS . . . . .</b>		<b>712,239</b>	<b>1,579,013</b>	<b>440,863</b>
<b>TOTAL ASSETS . . . . .</b>		<b>6,038,758</b>	<b>7,159,458</b>	<b>10,527,164</b>
<b>CURRENT LIABILITIES</b>				
Trade and notes payables . . . . .	31	46,512	62,363	32,309
Contract liabilities . . . . .	32	6,812	8,548	8,832
Other payables and accruals . . . . .	33	153,166	26,055	309,570
Short-term bank and other loans . . . . .	34	20,055	—	68,594
Current portion of long-term bank and other loans . . . . .	35	102,196	401,983	499,738
Current portion of lease liabilities . . . . .	18(b)	27,102	13,510	14,496
<b>TOTAL CURRENT LIABILITIES . . . . .</b>		<b>355,843</b>	<b>512,459</b>	<b>933,539</b>
<b>NET CURRENT ASSETS/(LIABILITIES) . . . . .</b>		<b>356,396</b>	<b>1,066,554</b>	<b>(492,676)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES . . . . .</b>		<b>5,682,915</b>	<b>6,646,999</b>	<b>9,593,625</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term bank and other loans . . . . .	35	879,970	479,950	1,272,920
Lease liabilities . . . . .	18(b)	—	14,496	—
<b>TOTAL NON-CURRENT LIABILITIES . . . . .</b>		<b>879,970</b>	<b>494,446</b>	<b>1,272,920</b>
<b>NET ASSETS . . . . .</b>		<b>4,802,945</b>	<b>6,152,553</b>	<b>8,320,705</b>
<b>EQUITY</b>				
Share capital . . . . .		1,837,192	1,775,636	1,775,636
Reserves . . . . .	39	2,965,753	4,376,917	6,545,069
<b>TOTAL EQUITY . . . . .</b>		<b>4,802,945</b>	<b>6,152,553</b>	<b>8,320,705</b>

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability incorporated in the People’s Republic of China (the “PRC”). The registered address and the location of the Company is Xingye Group Office Building, North Side of Yulong Street, Bajia Group, Xincheng District, Chifeng City, Inner Mongolia Autonomous Region, the PRC.

The Company’s A shares were issued and listed on the Shenzhen Stock Exchange in August 1996. As of 31 December 2025, the Company had issued 1,775,635,739 A shares, and the nominal amount of each share was RMB1.

As of 31 December 2023, 2024 and 2025, Xingye Group held 501,090,934, 487,311,528 and 363,320,020 A shares of the Company, respectively, representing 27.27%, 27.44% and 20.46% of the Company’s total issued share capital. Among these holdings, the numbers of pledged shares were 368,215,565, 368,215,565 and 363,320,020 at 31 December 2023, 2024 and 2025, respectively, accounting for 73.48%, 75.56%, and 100.00% of Xingye Group’s total shareholding in the Company, and 20.04%, 20.73% and 20.46% of the Company’s total issued share capital at 31 December 2023, 2024 and 2025, respectively. In the opinion of the directors, the Company’s parent company is Xingye Group and the Company’s ultimate controlling shareholder is Ji Xingye.

During the Relevant Periods, the Company and its subsidiaries were involved in the exploration and mining of silver and tin and other non-ferrous metals. The main products of the Group are silver, tin, zinc, lead, iron, copper, antimony, and gold, among other non-ferrous metals.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name*	Place and date of incorporation/ registration and place of operations	Registered Capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Inner Mongolia Xingye Group Xilin Mining Co., Ltd. 內蒙古興業集團錫林礦業有限公司 (“Xilin Mining”) (note (a))* . . . . .	PRC/Chinese mainland 7 January 2008	RMB300,000,000	100%	—	Mining
Inner Mongolia Xingye Group Rongguan Mining Co., Ltd. 內蒙古興業集團融冠礦業有限公司 (“Rongguan Mining”) (note (a))* . . . . .	PRC/Chinese mainland 31 July 2006	RMB145,000,000	100%	—	Mining
Xilingol League Shuangyuan Non-Ferrous Metals Smelting Co., Ltd. 錫林郭勒盟雙源有色金屬冶煉有限公司 (“Shuangyuan”) (note (d))* . . . . .	PRC/Chinese mainland 26 April 2008	RMB340,000,000	100%	—	Smelting
Xiwuzhumuqin Qi Yitong Mining Co., Ltd. 西烏珠穆沁旗億通礦業有限公司 (“Yitong Mining”) (note (d))* . . . . .	PRC/Chinese mainland 4 December 2012	RMB35,000,000	51%	—	Mining
Tanghe Shidai Mining Co., Ltd. 唐河時代礦業有限責任公司 (note (a))* . . . . .	PRC/Chinese mainland 28 September 2004	RMB733,800,000	100%	—	Mining
Chifeng Rongbang Mining Co., Ltd. 赤峰榮邦礦業有限責任公司 (note (a))* . . . . .	PRC/Chinese mainland 11 April 2005	RMB40,500,000	100%	—	Mining
Zhengxiangbai Qi Qianjinda Mining Co., Ltd. 正鑲白旗乾金達礦業有限責任公司 (“Qianjinda Mining”) (note (a))* . . . . .	PRC/Chinese mainland 30 Novemebr 2012	RMB133,900,000	100%	—	Mining

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Name*	Place and date of incorporation/ registration and place of operations	Registered Capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Xiwuzhumuqin Qi Yinman Mining Co., Ltd. 西烏珠穆沁旗銀漫礦業有限責任公司 (“Yinman Mining”) (note (a))* . . . . .	PRC/Chinese mainland 23 November 2005	RMB1,349,380,900	100%	—	Mining
Chifeng Ruineng Mining Co., Ltd. 赤峰銳能礦業有限公司 (note (a))* . . . . .	PRC/Chinese mainland 8 August 2016	RMB300,000,000	—	100%	Mining
Beijing Xingye Ruijin Technology Co., Ltd. 北京興業瑞金科技有限公司 (note (d))* . . . . .	PRC/Chinese mainland 5 February 2021	RMB10,000,000	100%	—	Technical services
Xingye Gold (Hong Kong) Mining Company Limited 興業黃金(香港)礦業有限公司 (“Xingye Gold (Hong Kong)”) (note (e))* . . . . .	Hong Kong 4 March 2021	HKD**732,871,500	100%	—	Investment
Xizang Bosheng Mining Development Co., Ltd. 西藏博盛礦業開發有限公司 (“Bosheng Mining”) (note (c))* . . . . .	PRC/Chinese mainland 22 November 2005	RMB50,000,000	70%	—	Mining
Xingye Silver & Tin (Hainan) International Trade Co., Ltd. 興業銀錫(海南)國際貿易有限責任公司 (note (d))* . . . . .	PRC/Chinese mainland 11 September 2023	RMB50,000,000	100%	—	Trading
Xingye Silver & Tin (Tianjin) International Trade Co., Ltd. 興業銀錫(天津)國際貿易有限公司 (note (d))* . . . . .	PRC/Chinese mainland 6 December 2023	RMB100,000,000	100%	—	Trading
Xingye Silver & Tin (Hainan) Private Equity Investment Fund Management Co., Ltd. 興業銀錫(海南)私募股權投資基金管理有限公司 (“Hainan Management”) (note (d))* . . . . .	PRC/Chinese mainland 30 May 2024	RMB10,000,000	50%	30%	Investment
Yunnan Malipo Tin & Precious Metals Mining Co., Ltd. 雲南省麻栗坡錫貴金屬礦業有限公司 (note (d))* . . . . .	PRC/Chinese mainland 14 August 2024	RMB40,000,000	100%	—	Mining
Xizang Shannan Antimony & Gold Resources Co., Ltd. 西藏山南銻金資源有限公司 (“Shannan Antimony-Gold”) (note (d))* . . . . .	PRC/Chinese mainland 20 May 2025	RMB10,000,000	100%	—	Mining
Chifeng Yubang Mining Co., Ltd. 赤峰宇邦礦業有限公司 (“Yubang Mining”) (note (d))* . . . . .	PRC/Chinese mainland 3 July 2009	RMB131,600,000	85%	—	Mining
Xingye Gold (Australia) Mining Pty Limited (note (b)) . . . . .	Australia 23 July 2025	AUD**10	—	100%	Mining
Atlantic Tin Limited (note (b)). . . . .	Australia 31 October 2005	AUD100,398,354	—	100%	Investment
Sahara Exploration SARL AU (note (b)) . . . . .	Kingdom of Morocco 9 January 2018	MAD**1,678,600	—	100%	Mining
Atlas Tin SAS (note (b)). . . . .	Kingdom of Morocco 9 January 2018	MAD424,070,000	—	75%	Mining

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Name*	Place and date of incorporation/ registration and place of operations	Registered Capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hamada Minerals SARL AU (note (b)). . . . .	Kingdom of Morocco 9 January 2018	MAD7,000,000	—	100%	Mining
Titan Tin SARL AU (note (b)) . . . . .	Kingdom of Morocco 7 October 2024	MAD100,000	—	100%	Mining
Société Anonyme d’Entreprises Minières (note (b)) . . . . .	Kingdom of Morocco 15 September 1997	MAD300,000	—	99.87%	Mining

*Notes:*

- (a) The statutory financial statements for the years ended 31 December 2023, 2024 and 2025 prepared under China Accounting Standards were audited by Talent Certified Public Accountants LLP, certified public accountants registered in the PRC.
  - (b) No audited financial statements have been prepared for these entities for the years ended 31 December 2023, 2024 and 2025 (or for the period from the date of incorporation, where later than the beginning of the Relevant Periods), as the entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdictions of incorporation.
  - (c) The statutory financial statements for the years ended 31 December 2024 and 2025 prepared under China Accounting Standards were audited by Talent Certified Public Accountants LLP, certified public accountants registered in the PRC.
  - (d) The statutory financial statements for the year ended 31 December 2025 prepared under China Accounting Standards were audited by Talent Certified Public Accountants LLP, certified public accountants registered in the PRC.
  - (e) The statutory financial statements for the years ended 31 December 2023 and 2024 prepared under HKFRS Accounting Standards were audited by SBC CPA Limited, certified public accountants registered in Hong Kong. The audited financial statements for the year ended 31 December 2025 prepared under HKFRS Accounting Standards were not yet issued as at the date of this report.
- \* The English names of these entities registered in the Chinese mainland represent the best efforts made by the management of the Company to directly translate their Chinese names as they did not register any official English names.
- \*\* HKD, AUD and MAD stand for Hong Kong Dollar, Australian Dollar and Moroccan Dirham, respectively.

**2. BASIS OF PREPARATION**

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

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.

As at 31 December 2025, net current liabilities of the Group and the Company amounted to RMB2,090 million and RMB493 million. In preparing the Historical Financial Information, the directors of the Company have considered the Group’s future liquidity requirements and operating performance based on the estimated operating profit and cash flows of the Group as well as additional funding available to the Group for the next twelve months from the end of the reporting period, in assessing the Group’s ability to continue operating as a going concern, and the directors of the Company are of the view that the Group and the Company will have sufficient working capital to finance their operations in the next twelve months from 31 December 2025.

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## ACCOUNTANTS’ REPORT

### Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 3. ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>

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Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> <sup>2</sup>
<i>Annual Improvements to HKFRS Accounting Standards — Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>

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

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

The Group is currently working to identify all impacts of the above new and amended HKFRS Accounting Standards will have on the primary financial statements and notes to the financial statements. The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group’s financial information. So far, the Group considers that these new and amended HKFRS Accounting Standards may result in changes in accounting policies but are unlikely to have a significant impact on the Group’s result of operation and financial position.

### 4. MATERIAL ACCOUNTING POLICIES

#### Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Company the current ability to direct the relevant activities of the investee).

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements, and
- (c) the Company’s voting rights and potential voting rights.

The results of subsidiaries are included in the Company’s statement of profit or loss to the extent of dividends received and receivable.

#### Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group’s investments in associates and a joint venture are stated in the consolidated statement of financial position at the Group’s share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

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The Group’s share of the post-acquisition results and other comprehensive income of associates and a joint venture is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint venture are eliminated to the extent of the Group’s investments in the associates or joint venture, except where Unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or a joint venture is included as part of the Group’s investments in associates or a joint venture.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### **Business combinations of entities under common control**

Business combinations of entities under common control are accounted for using the pooling of interests method. The results of subsidiaries are consolidated from the beginning of the Relevant Periods or the date on which a subsidiary first came under the common control of the controlling shareholders, whichever is later, and continue to be consolidated until the date that the Company’s control ceases. The assets and liabilities of the combining entities are reflected at their existing carrying values at the date of combination. No amount is recognised in respect of goodwill or excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, which, instead, is recorded as part of equity.

### **Business combinations (other than business combinations of entities under common control) and goodwill**

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

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Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

### **Asset acquisition**

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the Group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

### **Fair value measurement**

The Group measures 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 at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset

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or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

### **Impairment of non-financial assets**

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

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**Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person’s family and that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (iv) the entity and the Group are members of the same group;
  - (v) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (vi) the entity and the Group are joint ventures of the same third party;
  - (vii) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (viii) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (ix) the entity is controlled or jointly controlled by a person identified in (a);
  - (x) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (xi) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

**Property, plant and equipment and depreciation**

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depending on the nature of the item of property, plant and equipment, depreciation is calculated on the straight-line basis to write off the cost of each asset to its residual value over its estimated useful life or it is calculated on the units-of-production (“UOP”) basis to write off the cost of the asset proportionately to the extraction of the proven and probable mineral reserves. The estimated useful lives and annual depreciation rates for the assets depreciated on the straight-line basis are as follows:

	<u>Estimated useful lives</u>	<u>Annual depreciation rates</u>
Buildings . . . . .	10 to 40 years	2.38% to 9.50%
Machinery . . . . .	5 to 15 years	6.33% to 19.00%
Motor vehicles . . . . .	5 to 15 years	6.33% to 19.00%
Others . . . . .	3 to 15 years	6.33% to 31.67%

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Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each of the Relevant Periods.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the years the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

### **Intangible assets (other than goodwill)**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

### ***Exploration and mining rights***

Exploration rights are stated at cost less impairment losses. Exploration rights include the cost of acquiring exploration rights.

Mining rights are stated at cost less accumulated amortisation and any impairment losses. Mining rights include the cost of acquiring mining licences, exploration rights and exploration and evaluation assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortised in accordance with the production plans of the entities concerned and the proven and probable mineral reserves of the mines using the UOP method. Mining rights are written off to profit or loss if the mining property is abandoned.

### ***Exploration and evaluation assets***

Exploration and evaluation assets are stated at cost less impairment losses. Exploration and evaluation assets include costs of geological prospecting for technical consultancy and costs of feasibility study for commercial development which incurred in the surroundings, outer ring and deep areas of the existing or externally acquired mineral properties, and costs of drilling, trench sampling and other associated activities. Such expenditures may be capitalised when the mineral properties are reasonably determined to be commercially available and recognised as intangible assets after obtaining mining rights or permits, which are amortised under the UOP method. If any construction is abandoned in the development phase, all costs are written off and recognised in profit or loss for the current period.

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Impairment reviews of exploration and evaluation assets are undertaken if events or changes in circumstances indicate a potential impairment. The carrying value of exploration and evaluation assets is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash-generating units. Impaired exploration and evaluation assets are reviewed for possible reversal of the impairment at each reporting date.

### *Patents and software*

Purchased patents and software are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 to 30 years.

### **Research and development expenses**

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

### **Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *(a) Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land . . . . .	20 to 50 years
Buildings . . . . .	3 years
Motor vehicles . . . . .	10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### *(b) Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend

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on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

### *(c) Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of buildings, vehicles and leasehold land (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

### ***Sale and leaseback transactions with variable lease payments that do not depend on an index or a rate where the Group acts as a seller-lessee***

For sale and leaseback transactions with variable lease payments that do not depend on an index or a rate, lease liabilities are recognised at the commencement date of the leasebacks at the present value of expected lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the expected lease payments. Any differences between the payments made for the lease and the lease payments that reduce the carrying amount of lease liabilities are recognised in profit or loss.

## **Investments and other financial assets**

### ***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair

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value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

### ***Subsequent measurement***

The subsequent measurement of financial assets depends on their classification as follows:

#### ***Financial assets at amortised cost (debt instruments)***

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### ***Financial assets at fair value through other comprehensive income (debt instruments)***

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

#### ***Financial assets designated at fair value through other comprehensive income (equity investments)***

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

#### ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

### **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or

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- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### ***General approach***

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

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- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

### *Simplified approach*

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### **Financial liabilities**

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and notes payables, financial liabilities at fair value through profit or loss, other payables and accruals, other non-current liabilities and bank and other loans.

#### *Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group’s own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

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### *Financial liabilities at amortised cost (trade and notes payables, other payables and accruals and loans)*

After initial recognition, payables and loans are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### **Derivative financial instruments**

#### *Initial recognition and subsequent measurement*

The Group uses derivative financial instruments, such as commodity futures, to hedge its price fluctuation risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress, self-made semi-finished products and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

### **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

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For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Provisions for the Group's obligations for environmental rehabilitation and restoration of mines are based on estimates of required expenditure at the mines in accordance with the local rules and regulations where the mines are located. The Group estimates its liabilities for final reclamation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure for the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The Group records a corresponding asset in the period in which the liability is incurred. The liability is accreted to the projected expenditure date. As changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in the timing of the performance of reclamation activities), the revisions to the obligation and the asset are recognised at the appropriate discount rate.

### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### **Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

### **Revenue recognition**

#### ***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

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When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

### *Sale of mineral products*

Revenue from the sale of mineral products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

A portion of the Group’s sales of metal in concentrate allow for price adjustments based on the market price at the end of the relevant quotation periods (“QP”) stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP. The QPs can range between two and six months post shipment.

### *Contracts for the rendering of services*

A contract for the rendering of services between the Group and the customer usually includes emergency rescue services, management services and heating services. Revenue from emergency rescue services and heating services is recognised on a monthly basis. Revenue from the provision of management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

### *Other income*

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders’ right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

### **Contract liabilities**

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

### **Employee benefits**

#### *Pension schemes*

In accordance with applicable PRC regulations, the Company and its subsidiaries operating in Chinese mainland have currently enrolled in a series of pension schemes regulated by various provincial and municipal governments, under which each of the entities operating in Chinese mainland is required to contribute a percentage of its employees’ salaries to the pension fund. The contributions are charged to profit or loss as they become payable in accordance with the rules of the pension schemes.

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Subsidiaries of the Group in Morocco operates defined contribution plans on behalf of its employees. The contributions are recognised as employee benefit expense (staff costs) when they are due.

### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### **Events after the reporting period**

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

### **Dividends**

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. The proposed final dividends are disclosed in the note 16 to the Historical Financial Information.

### **Foreign currencies**

The Historical Financial Information is presented in Renminbi, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

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The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the average exchange rate for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

### 5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each of the Relevant Periods. Uncertainty about these estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### **Judgements**

In the process of applying the Group’s accounting policies, management has made the following judgements which have the most significant effects on the amounts recognised in the financial statements:

#### *Exploration expenditures*

After determining the capitalisation amount of exploration expenditures, the Group will regularly evaluate the exploration results. If the reviewed geological exploration report shows that there are no prospecting results or no economically recoverable reserves, or that the economic benefits of mining cannot be achieved and further exploration is unnecessary due to low grade and hard-to-mining, the exploration and development costs previously collected will be expensed and included in profit or loss for the current period in a lump sum.

#### *Deferred tax assets*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB234,773,000, RMB229,111,000 and RMB357,686,000 carried forward during the years ended 31 December 2023, 2024 and 2025, respectively. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB58,693,000, RMB57,278,000 and RMB89,227,000 during the years ended 31 December 2023, 2024 and 2025, respectively. Further details on deferred taxes are disclosed in note 23 to the Historical Financial Information.

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### **Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

### ***Impairment of financial assets***

The Group has adopted the expected credit loss model to evaluate the impairment of financial assets. The application of the expected credit loss model requires significant judgements and estimates and the consideration of all reasonable and soundly based information, including forward-looking information. In making such judgements and estimates, the Group estimates the projected movements of the debtor's credit risk according to past repayment records, economic policies, macro-economic indicators and industry risks, etc. Different estimates may affect the impairment provision, and the amount of impairment provision may not equal to the actual amount of impairment loss in the future.

### ***Impairment of non-current assets other than financial assets (excluding goodwill)***

The Group assesses whether there are any indicators of impairment for non-current assets other than financial assets at the end of the reporting period. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indicator exists. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. These estimates and judgements may be significantly affected by changes in future market or economic conditions.

### ***Impairment of goodwill***

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are included in note 20 to the Historical Financial Information.

### ***Proved mineral reserves***

Proved mineral reserves are estimated based on professional knowledge, experience and industry practice. Generally, the mineral reserve volume estimated based on probing and estimation may not be very accurate. The estimation is updated in accordance with new technologies and new information. Any changes in estimation will have impacts on the amounts of mining assets' depreciation and mining rights' amortisation using the units-of-production method, on the stripping ratio which was used in the capitalisation of stripping costs, and on each of the transaction prices of the metal streaming arrangement, etc. This may result in changes of or impacts on the Group's development and operation plan, and hence the Group's operations and operating results.

### ***Provision for environmental rehabilitation and restoration of mines***

Pursuant to the regulations of the governmental authorities in the places where the mines are located, the Group recognises provision for environmental rehabilitation and restoration of mines. The amount of provision is an estimate based upon the life of mining rights, timing of mine closure and cost of such rehabilitation. When this estimate changes, it may affect the Group's operations and performance. Further details are included in note 36 to the Historical Financial Information.

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*Taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations (including those applicable to tax credits) and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on best estimates, for possible consequences of audits by the tax authorities of the respective regions and countries in which it operates. The amount of such provisions is based on various factors, such as the Group’s experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective entities’ domicile.

**6. OPERATING SEGMENT INFORMATION**

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group’s business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined based on the Group’s major products.

During the Relevant Periods, the Group was principally engaged in exploration and mining of non-ferrous metal. Management reviews the operating results of the businesses as a single operating segment to make decisions about resources to be allocated. Therefore, the executive directors regard that there is only one segment which is used to make strategic decisions.

**Geographical information**

*(a) Revenue from external customers*

	<u>Year ended</u> <u>31 December 2023</u>	<u>Year ended</u> <u>31 December 2024</u>	<u>Year ended</u> <u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Chinese mainland . . . . .	3,706,005	4,270,387	5,555,254

The revenue information above is based on the locations of the customers.

*(b) Non-current assets*

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Chinese mainland . . . . .	9,897,552	9,981,479	13,962,114
Overseas . . . . .	—	43,835	760,620
	<u>9,897,552</u>	<u>10,027,314</u>	<u>14,722,734</u>

The non-current asset information above is based on the locations of the assets and excludes financial assets and deferred tax assets.

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### Information about major customers

Revenue derived from customers which individually accounted for 10% or more of the Group’s total revenue is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Customer A . . . . .	2,227,835	2,976,830	2,651,331
Customer B* . . . . .	448,398	651,315	1,100,795
Customer C** . . . . .	—	—	909,476

\* Revenue from Customer B included six entities under common control and are therefore disclosed on a combined basis.

\*\* Customer C was not a customer of the Group during the years ended 31 December 2023 and 2024.

### 7. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue from contracts with customers . . . . .	<u>3,706,005</u>	<u>4,270,387</u>	<u>5,555,254</u>

#### Revenue from contracts with customers

##### (a) Disaggregated revenue information

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Types of goods or services			
Tin . . . . .	1,330,318	1,415,391	1,649,640
Silver . . . . .	996,838	1,165,409	2,175,782
Zinc . . . . .	712,044	981,036	975,867
Iron . . . . .	229,342	234,711	180,380
Lead . . . . .	211,344	230,363	220,945
Copper . . . . .	140,433	129,711	133,004
Antimony . . . . .	42,739	62,812	100,357
Gold . . . . .	26,612	13,719	82,340
Bismuth . . . . .	8,574	12,505	16,674
Sulfur . . . . .	187	84	—
Others . . . . .	7,574	24,646	20,265
Total . . . . .	<u>3,706,005</u>	<u>4,270,387</u>	<u>5,555,254</u>
Geographical markets			
Chinese mainland . . . . .	<u>3,706,005</u>	<u>4,270,387</u>	<u>5,555,254</u>
Timing of revenue recognition			
Goods and services transferred at a point in time . . . . .	3,705,659	4,270,080	5,554,791
Services transferred over time . . . . .	346	307	463
Total . . . . .	<u>3,706,005</u>	<u>4,270,387</u>	<u>5,555,254</u>

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The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of the reporting period:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:			
Sale of mineral products . . . . .	141,676	180,751	34,747

Information about the Group’s performance obligations is summarised below:

### *Sale of mineral products*

The Group recognises revenue when customers gain the control of products. Prepayments received from customers before delivery of products are recognised as contract liabilities in the consolidated financial statements.

### *Emergency rescue services and heating services*

The performance obligation is satisfied over time as services are rendered and payment is generally due upon signing the sales contracts.

### *Management services*

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Management service contracts are for periods of one year or less, and are billed based on the time incurred.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) of the Relevant Periods are as follows:

	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Amounts expected to be recognised as revenue:			
Within one year . . . . .	180,751	34,747	332,443

## 8. DIRECTORS’ AND SUPERVISORS’ REMUNERATION

The remuneration of each of the Company’s directors and supervisors is set out as below:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Fees . . . . .	760	760	737
Other emoluments:			
Salaries, allowances and benefits in kind . . . .	3,702	3,457	3,707
Performance related bonuses . . . . .	1,901	3,293	2,236
Pension and social insurance . . . . .	527	522	649
Subtotal . . . . .	6,130	7,272	6,592
Total . . . . .	6,890	8,032	7,329

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Directors’ and supervisors’ remuneration for each year of the Relevant Periods is as follows:

**Year ended 31 December 2023**

	Position	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension and social insurance	Total
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Ji Xingye	Director	—	1,005	316	18	1,339
Ji Xiang	Director	—	703	316	83	1,102
Zhang Shucheng	Chief executive and director	50	705	472	82	1,309
Dong Yong	Director	50	416	292	82	840
Sun Kai	Director	50	394	261	82	787
Zhang Xudong	Director	—	—	—	—	—
(note (i))						
Li Qiangxin (note (ii))	Independent director	162	—	—	—	162
Jiang Qingmei (note (iii))	Independent director	162	—	—	—	162
Zhang Shichao	Independent director	170	—	—	—	170
Li Wubo (note (iv))	Independent director	8	—	—	—	8
Zhou Xianjun (note (v))	Independent director	8	—	—	—	8
Liu Chengge (note (vi))	Supervisor	—	—	—	—	—
Long Jing (note (vii))	Supervisor	50	148	86	78	362
Zhang Yanjiang (note (viii))	Supervisor	2	11	153	55	221
Lian Ruiqin (note (ix))	Supervisor	48	53	5	34	140
Wu Yunfeng (note (x))	Supervisor	—	267	—	13	280
		760	3,702	1,901	527	6,890

**Year ended 31 December 2024**

	Position	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension and social insurance	Total
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Ji Xingye	Director	—	1,005	695	20	1,720
Ji Xiang	Director	—	705	645	90	1,440
Zhang Shucheng	Chief executive and director	50	692	632	90	1,464
Dong Yong	Director	50	409	500	90	1,049
Sun Kai	Director	50	387	423	90	950
Zhang Xudong	Director	—	—	—	—	—
Zhang Shichao	Independent director	170	—	—	—	170
Li Wubo	Independent director	170	—	—	—	170
Zhou Xianjun	Independent director	170	—	—	—	170
Liu Chengge	Supervisor	—	—	—	—	—
Long Jing	Supervisor	50	147	163	81	441
Zhang Yanjiang	Supervisor	50	112	235	61	458
		760	3,457	3,293	522	8,032

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Year ended 31 December 2025

	Position	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension and social insurance	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Ji Xingye . . . . .	Director	—	1,006	358	21	1,385
Ji Xiang . . . . .	Director	—	707	358	90	1,155
Zhang Shucheng . . . . .	Chief executive and director	50	643	409	90	1,192
Dong Yong . . . . .	Director	50	377	322	90	839
Sun Kai . . . . .	Director	50	357	298	90	795
Zhang Xudong . . . . .	Director	—	—	—	—	—
Zhang Guoxin . . . . .	Director	2	355	311	90	758
(note (xi)) . . . . .						
Cheng Chonggang . . . . .	Independent director	7	—	—	—	7
(note (xii)) . . . . .						
Zhang Shichao . . . . .	Independent director	170	—	—	—	170
Li Wubo . . . . .	Independent director	170	—	—	—	170
Zhou Xianjun . . . . .	Independent director	170	—	—	—	170
Liu Chengge . . . . .	Supervisor	—	—	—	—	—
Long Jing . . . . .	Supervisor	33	150	92	90	365
Zhang Yanjiang . . . . .	Supervisor	35	112	88	88	323
		737	3,707	2,236	649	7,329

Notes:

- (i) The emoluments of Zhang Xudong in relation to his service rendered to the Group for the Relevant Periods were borne by Chifeng Fulong Public (Group) Co. Ltd., a shareholder of the Company, and were not allocated to the Group as the management of the Company considered there was no reasonable basis for such allocation.
- (ii) Li Qiangxin was appointed as an independent director on 16 December 2017 and resigned on 16 December 2023.
- (iii) Jiang Qingmei was appointed as an independent director on 16 December 2017 and resigned on 16 December 2023.
- (iv) Li Wubo was appointed as an independent director on 16 December 2023 and resigned on 30 March 2026.
- (v) Zhou Xianjun was appointed as an independent director on 16 December 2023.
- (vi) Liu Chengge was appointed as a supervisor on 16 December 2023 and resigned on 10 September 2025. The emoluments of Zhang Xudong in relation to his service rendered to the Company for the Relevant Periods were nil due to his position in a government department.
- (vii) Long Jing was appointed as a supervisor on 16 December 2020 and resigned on 10 September 2025.
- (viii) Zhang Yanjiang was appointed as a supervisor on 16 December 2023 and resigned on 10 September 2025.
- (ix) Lian Ruiqin was appointed as a supervisor on 16 December 2014 and resigned on 16 December 2023.
- (x) Wu Yunfeng was appointed as a supervisor on 5 June 2018 and resigned on 16 December 2023.
- (xi) Zhang Guoxin was appointed as a director on 17 December 2025.
- (xii) Cheng Chonggang was appointed as an independent director on 17 December 2025.

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**ACCOUNTANTS’ REPORT**

**9. FIVE HIGHEST PAID EMPLOYEES**

The five highest paid employees during the years ended 31 December 2023, 2024 and 2025 included three, three and four directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining two highest paid employees, two highest paid employees and one highest paid employee who are neither a director nor chief executive of the Company during the years ended 31 December 2023, 2024 and 2025, respectively, are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, allowances and benefits in kind . . . .	1,007	964	645
Performance related bonuses . . . . .	867	1,133	277
Pension and social insurance . . . . .	165	180	90
	<u>2,039</u>	<u>2,277</u>	<u>1,012</u>

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following band are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
HKD1,000,001 to HKD1,500,000 . . . . .	<u>2</u>	<u>2</u>	<u>1</u>

**10. OTHER INCOME AND GAINS**

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Government grants* . . . . .	1,919	2,222	3,702
Gain on disposal of investment in a joint venture . . . . .	—	806	—
Gain on disposal of financial assets at fair value through profit or loss . . . . .	—	1,712	—
Gain on settlement of provisional pricing arrangements . . . . .	4,738	—	—
Bank interest income . . . . .	3,151	3,712	3,451
Gain on debt restructuring . . . . .	1,606	2,832	—
Dividend income from an equity investment . .	—	—	2,520
Fair value gains on financial liabilities at fair value through profit or loss . . . . .	—	1,620	—
Others . . . . .	932	321	385
Total . . . . .	<u>12,346</u>	<u>13,225</u>	<u>10,058</u>

\* Various government grants have been received for setting up research activities in an enterprise zone within Inner Mongolia Autonomous Region, the Chinese mainland, mainly to protect the environment in that area. Government grants received for which related expenditure has not yet been undertaken are included in deferred income. There are no unfulfilled conditions or contingencies relating to these grants.

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**11. OTHER EXPENSES AND LOSSES**

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Donations . . . . .	1,845	891	1,154
Loss on disposal of property, plant and equipment . . . . .	31,176	15,495	8,120
Fair value losses on financial liabilities at fair value through profit or loss . . . . .	1,620	—	8,343
Losses on disposal of financial assets at fair value through profit or loss . . . . .	7	—	1
Impairment losses on a joint venture . . . . .	37,738	47,632	—
Impairment losses/(reversal of impairment losses) on inventories . . . . .	311	23	(48)
Foreign exchange differences, net . . . . .	—	647	1,784
Liquidated damages and tax late payment charges . . . . .	28,803	2,604	10,672
Others . . . . .	9,195	6,475	7,520
<b>Total . . . . .</b>	<b>110,695</b>	<b>73,767</b>	<b>37,546</b>

**12. FINANCE COSTS**

An analysis of finance costs is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank and other loans . . . . .	131,042	109,654	187,603
Interest on lease liabilities ( <i>note 18(c)</i> ) . . . . .	7	1,911	3,168
Discount on notes receivable . . . . .	—	—	2,898
Accretion of interest of provision for dismantlement ( <i>note 36</i> ) . . . . .	5,407	5,830	7,875
Accretion of interest of long-term payable for proceeds from the assignment of mining rights . . . . .	—	—	13,506
<b>Total . . . . .</b>	<b>136,456</b>	<b>117,395</b>	<b>215,050</b>

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## ACCOUNTANTS’ REPORT

### 13. PROFIT BEFORE TAX

The Group’s profit before tax is arrived at after charging/(crediting):

		Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>Notes</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cost of raw materials and consumables . . . .		248,137	216,308	305,388
Depreciation of property, plant and equipment* . . . . .		275,172	303,735	350,810
Depreciation of right-of-use assets . . . . .	18	20,260	21,763	24,271
Amortisation of intangible assets* . . . . .	19	205,445	228,962	269,524
Amortisation of other non-current assets . . .		2,213	2,131	2,007
Research and development costs** . . . . .		61,628	66,552	91,557
Lease payments not included in the measurement of lease liabilities . . . . .	18	6,743	7,138	7,877
Auditor’s remuneration . . . . .		3,962	4,342	4,720
Employee benefit expense (including directors’ remuneration):				
Wages and salaries . . . . .		193,382	196,571	242,414
Pension and other social insurances . . . . .		23,034	28,324	39,820
		<u>216,416</u>	<u>224,895</u>	<u>282,234</u>
Impairment losses/(reversal of impairment losses) on financial assets, net:				
Trade and note receivables . . . . .	27	8,009	(7,887)	(99)
Financial assets included in prepayments, other receivables and other assets . . . . .	28	696	7,103	(625)
		<u>8,705</u>	<u>(784)</u>	<u>(724)</u>

\* The depreciation of property, plant and equipment and amortisation of intangible assets (excluding the amounts capitalised) are included in “Cost of sales” and “Administrative expenses” in the consolidated statement of profit or loss.

\*\* The research and development costs exclude the employee benefit expense, depreciation and amortisation.

### 14. INCOME TAX EXPENSES

Under the Corporate Income Tax Law of the PRC, the statutory tax rate of the Company, subsidiaries and its key associates in Chinese mainland is 25%.

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**ACCOUNTANTS’ REPORT**

List of other corporate income tax rates applicable to the Group’s principle subsidiaries:

Name	Countries and regions	Rates
Rongguan Mining (a) . . . . .	Chinese mainland	15%
Chifeng Rongbang Mining Co., Ltd. (b) . . . . .	Chinese mainland	15%
Yinman Mining (c) . . . . .	Chinese mainland	15%
Qianjinda Mining (d) . . . . .	Chinese mainland	15%
Xingye Gold (Hong Kong) . . . . .	Hong Kong	16.50%
Bosheng Mining (e) . . . . .	Chinese mainland	15%
Xingye Silver & Tin (Hainan) International Trade Co.,Ltd. (f) . . . . .	Chinese mainland	15%
Hainan Management (f) . . . . .	Chinese mainland	15%
Xingye Gold (Australia) Mining Pty Limited . .	Australia	30%
Atlantic Tin Limited . . . . .	Australia	30%
Sahara Exploration SARL A . . . . .	Kingdom of Morocco	0 < Profit before tax < MAD100 million: 20% Profit before tax ≥ MAD100 million: 35%
Atlas Tin SAS . . . . .	Kingdom of Morocco	0 < Profit before tax < MAD100 million: 20% Profit before tax ≥ MAD100 million: 35%
Hamada Minerals SARL AU . . . . .	Kingdom of Morocco	0 < Profit before tax < MAD100 million: 20% Profit before tax ≥ MAD100 million: 35%
Titan Tin SARL AU . . . . .	Kingdom of Morocco	0 < Profit before tax < MAD100 million: 20% Profit before tax ≥ MAD100 million: 35%
Société Anonyme d’Entreprises Minières . . . . .	Kingdom of Morocco	0 < Profit before tax < MAD100 million: 20% Profit before tax ≥ MAD100 million: 35%

- (a) Upon the renewal of the High-New Technical Enterprise (“HNTTE”) certificate in November 2022 and December 2025, the applicable corporate income tax rate of Rongguan Mining was 15% for the years from 2022 to 2025.
- (b) Upon the renewal of the HNTTE certificate in November 2022, the applicable corporate income tax rate of Chifeng Rongbang Mining Co., Ltd. was 15% for the years from 2022 to 2024.
- (c) Upon the renewal of the HNTTE certificate in December 2021 and then renewed in December 2024, the applicable corporate income rate of Yinman Mining was 15% for the years from 2023 to 2025.
- (d) Upon the renewal of the HNTTE certificate in October 2023, the applicable corporate income tax rate of Qianjinda Mining was 15% for the years from 2023 to 2025.
- (e) According to the Announcement on Continuation of CIT Policies for Large-scale Development in the Western Region (Announcement [2020] No.23 of the Ministry of Finance, State Administration of Taxation and National Development and Reform Commission), during the period from 1 January 2021 to 31 December 2030, the corporate income tax shall be levied at a reduced tax rate of 15% on enterprises established in the western region in encouraged industries. This policy is applicable to Bosheng Mining.
- (f) According to the Notice on the Preferential Policies for Corporate Income Tax of Hainan Free Trade Port (CS [2020] No. 31) and the Notice on the Continuation of the Preferential Policies for Corporate Income Tax of Hainan Free Trade Port (CS [2025] No. 3) issued by the Ministry of Finance and the State Administration of Taxation, from 1 January 2020 to 31 December 2027, for registered enterprises in encouraged industries substantially operating in Hainan free trade port, the corporate income tax is levied at a reduced rate of 15%. The applicable corporate income tax rate is 15% for Xingye Silver & Tin (Hainan) International Trade Co., Ltd. and Hainan Management.

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An analysis of the Group’s provision for tax is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Current — Chinese mainland			
Charge for the year . . . . .	191,458	290,825	298,559
(Overprovision)/underprovision in prior years . . . . .	(286)	609	823
Deferred ( <i>note 23</i> ) . . . . .	(72,695)	(28,111)	92,309
Total . . . . .	<u>118,477</u>	<u>263,323</u>	<u>391,691</u>

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Profit before tax . . . . .	1,069,911	1,763,553	2,099,516
Tax expense calculated at the statutory tax rate of Chinese mainland of 25% . . . . .	267,478	440,888	524,879
Effect of different tax rates of subsidiaries . . . . .	(113,759)	(175,519)	(176,586)
Adjustments in respect of current tax of the prior years . . . . .	(286)	609	823
Losses attributable to a joint venture and associates . . . . .	6,171	2,096	1,612
Income not subject to tax . . . . .	—	—	(630)
Expenses not deductible for tax . . . . .	12,577	6,783	13,255
Utilisation of tax losses not recognised in the prior years . . . . .	(1,120)	(18,304)	(1)
Unrecognised and reversal of deductible temporary differences and tax losses . . . . .	42,357	19,516	42,282
Effect on changes in the tax rate . . . . .	(83,227)	—	3,022
Tax benefit for qualified research and development expenses and wages for disabled employees . . . . .	(11,714)	(12,746)	(16,965)
Tax charge at the effective rate . . . . .	<u>118,477</u>	<u>263,323</u>	<u>391,691</u>

The share of tax credits attributable to a joint venture amounting to RMB3,111,000, nil and nil is included in “Share of losses of a joint venture” in the consolidated statement of profit or loss during the years ended 31 December 2023, 2024 and 2025.

The share of tax credits attributable to associates amounting to RMB3,060,000, RMB2,096,000 and RMB1,063,000 is included in “Share of losses of associates” in the consolidated statement of profit or loss during the years ended 31 December 2023, 2024 and 2025.

**15. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT**

**(a) Basic earnings per share**

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during the Relevant Periods.

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The calculations of basic earnings per share are based on:

	<u>Year ended</u> <u>31 December 2023</u>	<u>Year ended</u> <u>31 December 2024</u>	<u>Year ended</u> <u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Earnings</b>			
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation . . . . .	967,446	1,528,187	1,707,509
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<b>Number of shares</b>		
	<u>Year ended</u> <u>31 December 2023</u>	<u>Year ended</u> <u>31 December 2024</u>	<u>Year ended</u> <u>31 December 2025</u>
<b>Shares</b>			
Weighted average number of ordinary shares outstanding during the Relevant Periods used in the basic earnings per share calculation . . . . .	1,837,192,219	1,832,062,512	1,775,635,739
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**(b) Diluted earnings per share**

There were no dilutive potential ordinary shares outstanding during the Relevant Periods. Hence, the diluted earnings per share amount is same as the basic earnings per share amount.

**16. DIVIDENDS**

	<u>Year ended</u> <u>31 December 2023</u>	<u>Year ended</u> <u>31 December 2024</u>	<u>Year ended</u> <u>31 December 2025</u>
Proposed final			
— RMB/per ordinary share . . . . .	0.65	0.70	1.10
— RMB'000 . . . . .	119,417	124,295	195,320
	<u>                    </u>	<u>                    </u>	<u>                    </u>

The proposed final dividend for the year 2025 is subject to the approval of the Company’s shareholders at the forthcoming annual general meeting.

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**17. PROPERTY, PLANT AND EQUIPMENT**

**The Group**

	Buildings	Mineral assets	Machinery	Motor vehicles	Others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cost</b>							
<b>At 1 January 2023</b> . . . . .	4,014,664	1,303,622	1,113,966	30,057	143,320	499,597	7,105,226
Additions . . . . .	26,811	(21)	65,231	3,937	8,322	286,888	391,168
Transfers . . . . .	222,329	76,853	42,110	—	14,325	(355,617)	—
Acquisition of a subsidiary (note 48(a)) . . . . .	92,260	92,585	11,015	482	48	—	196,390
Transferred to construction in progress . . . . .	—	(305)	(587)	—	—	632	(260)
Disposals . . . . .	(3,043)	(1,815)	(54,637)	(893)	(1,025)	—	(61,413)
<b>At 31 December 2023 and 1 January 2024</b> . . . . .	4,353,021	1,470,919	1,177,098	33,583	164,990	431,500	7,631,111
Additions . . . . .	—	—	16,254	8,451	7,986	300,537	333,228
Transfers . . . . .	165,989	16,847	38,446	—	12,256	(233,538)	—
Transferred to construction in progress . . . . .	—	—	(5,113)	—	—	4,341	(772)
Disposals . . . . .	(12,165)	(656)	(19,300)	(2,409)	(3,294)	—	(37,824)
<b>At 31 December 2024 and 1 January 2025</b> . . . . .	4,506,845	1,487,110	1,207,385	39,625	181,938	502,840	7,925,743
Additions . . . . .	13,467	—	12,580	8,517	18,610	391,717	444,891
Transfers . . . . .	76,089	1,797	19,598	—	8,775	(106,259)	—
Transferred to construction in progress . . . . .	(10,639)	—	(1,788)	—	—	4,380	(8,047)
Acquisition of subsidiaries (note 48(b) and (c)) . . . . .	191,378	186,389	92,747	6,597	4,881	56,755	538,747
Exchange realignment . . . . .	(1)	—	—	(6)	7	—	—
Disposals . . . . .	(5,899)	—	(18,097)	(3,465)	(5,702)	—	(33,163)
<b>At 31 December 2025</b> . . . . .	4,771,240	1,675,296	1,312,425	51,268	208,509	849,433	8,868,171
<b>Accumulated depreciation</b>							
<b>At 1 January 2023</b> . . . . .	846,029	399,219	409,933	16,030	74,001	—	1,745,212
Charge for the year . . . . .	125,642	56,327	70,856	3,571	19,000	—	275,396
Disposals . . . . .	(1,531)	(1,815)	(23,602)	(504)	(831)	—	(28,283)
Transferred to construction in progress . . . . .	—	(223)	(37)	—	—	—	(260)
<b>At 31 December 2023 and 1 January 2024</b> . . . . .	970,140	453,508	457,150	19,097	92,170	—	1,992,065
Charge for the year . . . . .	135,657	67,874	71,880	4,452	23,872	—	303,735
Disposals . . . . .	(3,657)	(656)	(12,278)	(1,924)	(3,021)	—	(21,536)
Transferred to construction in progress . . . . .	—	—	(772)	—	—	—	(772)
<b>At 31 December 2024 and 1 January 2025</b> . . . . .	1,102,140	520,726	515,980	21,625	113,021	—	2,273,492
Charge for the year . . . . .	159,896	69,369	88,501	8,067	24,998	—	350,831
Exchange realignment . . . . .	(1)	—	—	(3)	—	—	(4)
Disposals . . . . .	(1,787)	—	(13,848)	(2,664)	(5,361)	—	(23,660)
Transferred to construction in progress . . . . .	(7,367)	—	(680)	—	—	—	(8,047)
<b>At 31 December 2025</b> . . . . .	1,252,881	590,095	589,953	27,025	132,658	—	2,592,612

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	Buildings	Mineral assets	Machinery	Motor vehicles	Others	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Accumulated impairment</b>							
At 1 January 2023 . . . . .	680,266	—	108,679	3	2,183	5,021	796,152
Disposals . . . . .	—	—	(10)	—	—	—	(10)
<b>At 31 December 2023 and 2024 and 1 January 2025 . . . . .</b>	<b>680,266</b>	<b>—</b>	<b>108,669</b>	<b>3</b>	<b>2,183</b>	<b>5,021</b>	<b>796,142</b>
Disposals . . . . .	—	—	(229)	—	(5)	—	(234)
<b>At 31 December 2025 . . . . .</b>	<b>680,266</b>	<b>—</b>	<b>108,440</b>	<b>3</b>	<b>2,178</b>	<b>5,021</b>	<b>795,908</b>
<b>Carrying amounts</b>							
At 1 January 2023 . . . . .	2,488,369	904,403	595,354	14,024	67,136	494,576	4,563,862
At 31 December 2023 . . . . .	2,702,615	1,017,411	611,279	14,483	70,637	426,479	4,842,904
At 31 December 2024 . . . . .	2,724,439	966,384	582,736	17,997	66,734	497,819	4,856,109
At 31 December 2025 . . . . .	2,838,093	1,085,201	614,032	24,240	73,673	844,412	5,479,651

Further details of property, plant and equipment used as collateral for loans are included in notes 34 and 35 to the Historical Financial Information.

**The Company**

	Others
	<i>RMB'000</i>
<b>Cost</b>	
At 1 January 2023 . . . . .	6,973
Additions . . . . .	823
<b>At 31 December 2023 and 1 January 2024 . . . . .</b>	<b>7,796</b>
Additions . . . . .	1,160
Disposals . . . . .	(338)
<b>At 31 December 2024 and 1 January 2025 . . . . .</b>	<b>8,618</b>
Additions . . . . .	742
<b>At 31 December 2025 . . . . .</b>	<b>9,360</b>
<b>Accumulated depreciation</b>	
At 1 January 2023 . . . . .	3,194
Charge for the year . . . . .	1,401
<b>At 31 December 2023 and 1 January 2024 . . . . .</b>	<b>4,595</b>
Charge for the year . . . . .	1,615
Disposals . . . . .	(321)
<b>At 31 December 2024 and 1 January 2025 . . . . .</b>	<b>5,889</b>
Charge for the year . . . . .	1,419
<b>At 31 December 2025 . . . . .</b>	<b>7,308</b>
<b>Carrying amounts</b>	
At 1 January 2023 . . . . .	3,779
At 31 December 2023 . . . . .	3,201
At 31 December 2024 . . . . .	2,729
At 31 December 2025 . . . . .	2,052

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**ACCOUNTANTS’ REPORT**

**18. LEASES**

**The Group**

*The Group as a lessee*

The Group has lease contracts for various items of leasehold land, buildings and motor vehicles. Lump sum payments are made upfront to acquire the land use rights in Chinese mainland with periods of 20 to 50 years, and no ongoing payments will be made. The lease term of the buildings and motor vehicles is 3 years and 10 years, respectively.

(a) *Right-of-use assets*

The carrying amounts of the Group’s right-of-use assets and the movements at 31 December 2023, 2024 and 2025 are as follows:

	<u>Leasehold land</u>	<u>Buildings</u>	<u>Motor vehicles</u>	<u>Total</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Year ended 31 December 2023				
Cost at 1 January 2023, net of accumulated depreciation . . . .	261,136	13,569	289	274,994
Additions . . . . .	76,771	—	—	76,771
Acquisition of a subsidiary (note 48(a)) . . . . .	5,251	—	—	5,251
Depreciation provided during the year . . . . .	(6,657)	(13,569)	(34)	(20,260)
Cost at 1 January 2024, net of accumulated depreciation . . . .	336,501	—	255	336,756
Additions . . . . .	28,175	40,598	—	68,773
Depreciation provided during the year . . . . .	(8,196)	(13,533)	(34)	(21,763)
Cost at 1 January 2025, net of accumulated depreciation . . . .	356,480	27,065	221	383,766
Additions . . . . .	3,648	—	—	3,648
Acquisition of a subsidiary (note 48(b)) . . . . .	79,655	61	—	79,716
Depreciation provided during the year . . . . .	(10,644)	(13,593)	(34)	(24,271)
At 31 December 2025 . . . . .	<u>429,139</u>	<u>13,533</u>	<u>187</u>	<u>442,859</u>

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(b) *Lease liabilities*

The carrying amounts of lease liabilities and the movements at 31 December 2023, 2024 and 2025 are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount at 1 January . . . . .	30,402	27,197	28,090
New leases . . . . .	—	40,598	—
Acquisition of a subsidiary ( <i>note 48(b)</i> ) . . . . .	—	—	25,839
Accretion of interest recognised during the year . . . . .	7	1,911	3,168
Payments . . . . .	(3,212)	(41,616)	(16,613)
Carrying amount at 31 December . . . . .	<u>27,197</u>	<u>28,090</u>	<u>40,484</u>
Analysed into:			
Current portion . . . . .	27,113	13,522	14,380
Repayable within one year . . . . .	27,113	13,522	14,380
Non-current portion . . . . .	84	14,568	26,104
Repayable in the second year . . . . .	12	14,509	(23)
Repayable in the third to fifth years, inclusive . . . . .	40	42	580
Repayable beyond five years . . . . .	32	17	25,547
Total lease liabilities . . . . .	<u>27,197</u>	<u>28,090</u>	<u>40,484</u>

The maturity analysis of lease liabilities is disclosed in note 47 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Interest on lease liabilities ( <i>note 12</i> ) . . . . .	7	1,911	3,168
Depreciation charge of right-of-use assets . . . . .	20,260	21,763	24,271
Expense relating to short-term leases . . . . .	6,743	7,138	7,877
Total amounts recognised in profit or loss . . . . .	<u>27,010</u>	<u>30,812</u>	<u>35,316</u>

(d) *The cash outflows for leases:*

The total cash outflows for leases are disclosed in note 41 to the Historical Financial Information.

**The Company**

The Company has lease contracts for buildings for its operation, and the lease terms for buildings are 3 years.

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(a) *Right-of-use assets*

The carrying amounts of the Company’s right-of-use assets and the movements at 31 December 2023, 2024 and 2025 are as follows:

	<b>Buildings</b>
	<i>RMB’000</i>
Cost at 1 January 2023, net of accumulated depreciation. . . . .	13,569
Depreciation provided during the year . . . . .	(13,569)
Cost at 1 January 2024, net of accumulated depreciation. . . . .	—
Additions . . . . .	40,598
Depreciation provided during the year . . . . .	(13,533)
Cost at 1 January 2025, net of accumulated depreciation. . . . .	27,065
Depreciation provided during the year . . . . .	(13,532)
At 31 December 2025 . . . . .	<u>13,533</u>

(b) *Lease liabilities*

The carrying amount of lease liabilities and the movements at 31 December 2023, 2024 and 2025 are as follows:

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2024</b>	<b>Year ended 31 December 2025</b>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount at 1 January . . . . .	30,297	27,102	28,006
New leases . . . . .	—	40,598	—
Accretion of interest recognised during the year . . . . .	—	1,905	986
Payments . . . . .	(3,195)	(41,599)	(14,496)
Carrying amount at end of the year . . . . .	<u>27,102</u>	<u>28,006</u>	<u>14,496</u>
Analysed into:			
Current portion . . . . .	27,102	13,510	14,496
Repayable within one year . . . . .	27,102	13,510	14,496
Non-current portion . . . . .	—	14,496	—
Repayable in the second year . . . . .	—	14,496	—
Total lease liabilities . . . . .	<u>27,102</u>	<u>28,006</u>	<u>14,496</u>

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19. INTANGIBLE ASSETS

The Group

	Exploration rights, mining rights, exploration and evaluation assets	Patents	Software	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cost				
At 1 January 2023 . . . . .	3,969,455	226	7,853	3,977,534
Additions . . . . .	84,944	59	3,261	88,264
Acquisition of a subsidiary ( <i>note 48(a)</i> ) . . . . .	1,204,094	—	—	1,204,094
At 31 December 2023 and 1 January 2024 . . . . .	5,258,493	285	11,114	5,269,892
Additions . . . . .	170,778	—	2,778	173,556
Disposals . . . . .	—	—	(792)	(792)
At 31 December 2024 and 1 January 2025 . . . . .	5,429,271	285	13,100	5,442,656
Additions . . . . .	95,451	—	6,936	102,387
Acquisition of a subsidiaries ( <i>notes 48(b) and (c)</i> ) . . . . .	4,348,824	14	433	4,349,271
Exchange realignment . . . . .	10,346	—	—	10,346
At 31 December 2025 . . . . .	9,883,892	299	20,469	9,904,660
Accumulated amortisation				
At 1 January 2023 . . . . .	1,163,917	18	2,917	1,166,852
Charge for the year . . . . .	204,661	23	761	205,445
At 31 December 2023 and 1 January 2024 . . . . .	1,368,578	41	3,678	1,372,297
Charge for the year . . . . .	227,712	23	1,227	228,962
Disposals . . . . .	—	—	(792)	(792)
At 31 December 2024 and 1 January 2025 . . . . .	1,596,290	64	4,113	1,600,467
Charge for the year . . . . .	267,571	24	1,929	269,524
At 31 December 2025 . . . . .	1,863,861	88	6,042	1,869,991
Accumulated impairment				
At 1 January 2023 and 31 December 2023, 2024 and 2025 . . . . .	75,069	—	—	75,069
Carrying amounts				
At 1 January 2023 . . . . .	2,730,469	208	4,936	2,735,613
At 31 December 2023 . . . . .	3,814,846	244	7,436	3,822,526
At 31 December 2024 . . . . .	3,757,912	221	8,987	3,767,120
At 31 December 2025 . . . . .	7,944,962	211	14,427	7,959,600

Further details of intangible asset used as collateral for loans are included in notes 34 and 35 to the Historical Financial Information.

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**ACCOUNTANTS’ REPORT**

**The Company**

	Exploration rights, mining rights, exploration and evaluation assets	Software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost			
At 1 January 2023 . . . . .	—	780	780
Additions . . . . .	—	496	496
At 31 December 2023 and 1 January 2024 . . .	—	1,276	1,276
Additions . . . . .	15,272	—	15,272
Disposals . . . . .	—	(552)	(552)
At 31 December 2024 and 1 January 2025 . . .	15,272	724	15,996
Additions . . . . .	—	231	231
Disposals . . . . .	(15,272)	—	(15,272)
At 31 December 2025 . . . . .	—	955	955
Accumulated amortisation			
At 1 January 2023 . . . . .	—	624	624
Charge for the year . . . . .	—	28	28
At 31 December 2023 and 1 January 2024 . . .	—	652	652
Charge for the year . . . . .	—	73	73
Disposals . . . . .	—	(552)	(552)
At 31 December 2024 and 1 January 2025 . . .	—	173	173
Charge for the year . . . . .	—	73	73
At 31 December 2025 . . . . .	—	246	246
Carrying amounts			
At 1 January 2023 . . . . .	—	156	156
At 31 December 2023 . . . . .	—	624	624
At 31 December 2024 . . . . .	15,272	551	15,823
At 31 December 2025 . . . . .	—	709	709

**20. GOODWILL**

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Beginning and closing balances . . . . .	193,433	193,433	193,433

There was no impairment of goodwill during and at the end of each of the Relevant Periods.

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Details of the Group’s goodwill is set out below:

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Qianjinda Mining CGU* . . . . .	193,397	193,397	193,397
Yitong Mining CGU* . . . . .	36	36	36
Total . . . . .	<u>193,433</u>	<u>193,433</u>	<u>193,433</u>

\* CGU stands for cash-generating unit.

**Qianjinda Mining CGU**

The recoverable amount of the Qianjinda Mining CGU was determined based on a value in use calculation using cash flow projections based on financial budgets carrying the remaining mining life of the mine from 6.8 to 4.9 years (\*) at the end of each of the Relevant Periods as approved by senior management. Based on the Qianjinda Mining’s actual operating conditions, mining costs and mineral processing costs are primarily determined with reference to the average unit costs of the recent two years, while selling prices are determined with reference to the average prices over the three years prior to the valuation date. Discount rate is the pre-tax rate that reflects the current market time value of money and the specific risks associated with the Qianjinda Mining CGU.

Assumptions were used in the value in use of the Qianjinda Mining CGU. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

*Revenue growth rate* — The revenue growth rate used to extrapolate the cash flows of the Qianjinda Mining CGU beyond the five-year period is 0% for the goodwill impairment testing as at 31 December 2023, 2024 and 2025.

*Earning Before Tax (“EBT”) margin* — The EBT margins were 53.25% to 55.66%, 54.62% to 57.25% and 50.88% to 57.96% for the goodwill impairment testing as at 31 December 2023, 2024 and 2025, respectively.

*Discount rate* — The discount rates were 14.84%, 16.38% and 18.81% for the goodwill impairment testing as at 31 December 2023, 2024 and 2025, respectively.

Based on the impairment assessments, there was no impairment of goodwill as at 31 December 2023, 2024 and 2025, and the headroom (i.e., the excess of the recoverable amount over the carrying amount of the CGU) was RMB5,165,000, RMB89,675,000 and RMB38,319,000, respectively.

For the goodwill allocated to the Qianjinda Mining CGU, management has assessed that three of the most sensitive key assumptions are revenue growth rate, EBT margin and discount rate. As at 31 December 2023, 2024 and 2025, if revenue growth rate decreased by 1% from management’s estimates, while other variables were constant with the expectations, the Group would have to recognise impairment losses against goodwill by approximately RMB41,556,000, nil and nil, respectively; if EBT margin decreased by 1% from management’s estimates, while other variables were held constant with the expectations, the Group would have to recognise impairment losses against goodwill by approximately RMB7,342,000, nil and nil, respectively; if the discount rate increased by 1% from management’s estimates, while other variables were held constant with the expectations, the Group would have to recognise impairment losses against goodwill by approximately RMB33,049,000, nil and nil, respectively.

\* The mining life of Qianjinda Mining CGU is determined by the mine’s remaining recoverable reserves, calculated by dividing the remaining recoverable reserves by the annual production capacity.

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ACCOUNTANTS’ REPORT

21. INVESTMENTS IN ASSOCIATES, A JOINT VENTURE AND SUBSIDIARIES

(a) Investments in associates and a joint venture

The Group

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Associates			
Share of net assets ( <i>note (ii) and (iii)</i> ) . . . . .	181,581	219,031	233,539
A joint venture			
Share of net assets ( <i>note (i)</i> ) . . . . .	265,953	—	—
Less: impairment . . . . .	(43,589)	—	—
Subtotal . . . . .	222,364	—	—
Total . . . . .	403,945	219,031	233,539

Particulars of the associates and joint venture are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	% of ownership interest			Principal activities
			As at 31 December 2023	As at 31 December 2024	As at 31 December 2025	
<b>Associates</b>						
Chenbaerhu Qi Tiantong Mining Co., Ltd. (“ <b>Tiantong Mining</b> ”) . . . . .	Paid-in capital	PRC/Chinese mainland	49.00	49.00	49.00	Mining
Far East Gold Limited (“ <b>FEG</b> ”) . . . . .	Ordinary shares	Australia	—	14.56	19.99	Trading of precious metals
<b>A joint venture</b>						
Kunming Dongchuan District Tongdu Mining Co., Ltd. (“ <b>Tongdu Mining</b> ”) . . . . .	Paid-in capital	PRC/Chinese mainland	49.00	—	—	Mining

Notes:

(i) Due to the sustained losses incurred by Tongdu Mining, the Group performed an impairment assessment on the investment in 2023 and 2024, in the opinion of the directors, an impairment provision of RMB37,738,000 and RMB47,632,000 was recognised, being the difference of the then carrying amount over the recoverable amount.

The recoverable amount of investment in Tongdu Mining was primarily comprised of the recoverable amount of the mining rights, determined based on a value in use calculation using expected cash flow projections approved by senior management covering a period of 26.73 to 26.77 years. The discount rate applied to the expected cash flow projections was 7.23% to 8.00%, which was determined with reference to the average rate for companies in relevant industry with similar business risk, and the cash flows projection were extrapolated using a growth rate of 0%, which was the same as the long-term average growth rate of the mining industry.

The values assigned to the key assumptions are consistent with external information resources.

In December 2024, the Company entered into an agreement with Chifeng Hongsheng Construction Engineering Co., Ltd. pursuant to which the Company agreed to transfer its entire 49% equity of Tongdu Mining to Chifeng Hongsheng Construction Engineering Co., Ltd. at a consideration of RMB168 million. Upon completion of the transaction, the Group ceased to have joint control over Tongdu Mining and the investment has since been reclassified as a financial asset measured at fair value through profit or loss.

(ii) Tiantong Mining, is a strategic partner of the Group and is accounted for using the equity method.

(iii) On 4 September 2024, the Company, through its wholly owned subsidiary, Xingye Gold (Hong Kong), entered into an equity subscription agreement with an Australian-listed company, FEG, under which Xingye Gold (Hong Kong) agreed to subscribe for ordinary shares allotted by FEG to Xingye Gold (Hong Kong) on the Australian Stock Exchange in three instalments at a AUD\*0.20 per share. The total number of shares subscribed represented 19.99% of FEG’s issued shares as at the completion date. During the years ended 31 December 2024 and 2025, Xingye Gold (Hong Kong) paid share

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subscription monies of AUD9,890,000 (equivalent to RMB45,836,000) and AUD4,783,000 (equivalent to RMB21,028,000) and subscribed for 49,451,540 and 23,917,248 shares of FEG, representing 14.56% and 5.43% of the issued share capital of FEG as at 31 December 2024 and 2025, respectively.

In accordance with the investment agreement, Xingye Gold (Hong Kong) has the right to nominate one non-executive director to be appointed by FEG from December 2024; and when its shareholding in FEG reaches or exceeds 30% of FEG’s total share capital, it shall have the right to nominate a second non-executive director to be appointed by FEG. In March 2025, the Group appointed a non-executive director to FEG to exercise significant influence over the operation and management of FEG.

The following table illustrates the summarised financial information in respect of Tiantong Mining reconciled to the carrying amount in the Historical Financial Information:

	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Current assets . . . . .	15,398	10,000	188,967
Non-current assets . . . . .	423,888	435,375	448,976
Current liabilities . . . . .	(68,712)	(91,914)	(64,465)
Non-current liabilities . . . . .	—	—	(220,000)
Net assets . . . . .	<u>370,574</u>	<u>353,461</u>	<u>353,478</u>
Reconciliation to the Group’s interest in the associate:			
Proportion of the Group’s ownership . . . . .	49.00%	49.00%	49.00%
Group’s share of net assets of the associate . .	<u>181,581</u>	<u>173,196</u>	<u>173,204</u>
Carrying amount of the investment . . . . .	<u>181,581</u>	<u>173,196</u>	<u>173,204</u>
Revenue . . . . .	—	—	28,595
(Loss)/profit and total comprehensive (loss)/income for the year . . . . .	<u>(24,987)</u>	<u>(17,113)</u>	<u>17</u>

Aggregate information of an associate that is not individually material:

	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Share of the associate’s loss and total comprehensive loss for the year . . . . .	—	—	(6,456)
Aggregate carrying amount of the Group’s investments in the associate . . . . .	<u>—</u>	<u>45,835</u>	<u>60,335</u>

Tongdu Mining is accounted for using the equity method for the year ended 31 December 2023.

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The following table illustrates the summarised financial information in respect of Tongdu Mining reconciled to the carrying amount in the Historical Financial Information:

	<b>31 December 2023</b>
	<i>RMB'000</i>
Cash and cash equivalents . . . . .	1,092
Other current assets . . . . .	10,103
Current assets . . . . .	11,195
Non-current assets . . . . .	808,012
Current liabilities . . . . .	(280,083)
Net assets . . . . .	539,124
Reconciliation to the Group’s interest in the joint venture:	
Proportion of the Group’s ownership . . . . .	49.00%
Group’s share of net assets of the joint venture . . . . .	264,170
Less: impairment . . . . .	(41,806)
Carrying amount of the investment . . . . .	222,364
Revenue . . . . .	43,775
Finance costs . . . . .	6,792
Tax . . . . .	1,743
Loss and total comprehensive loss for the year . . . . .	(12,442)
Dividend received . . . . .	—

**The Company**

	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
An associate			
Share of net assets . . . . .	47,854	39,468	39,476
A joint venture			
Share of net assets . . . . .	264,170	—	—
Less: impairment . . . . .	(41,806)	—	—
Subtotal . . . . .	222,364	—	—
Total . . . . .	270,218	39,468	39,476

**(b) Investments in subsidiaries**

**The Company**

	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Investments, at cost . . . . .	4,912,577	5,284,294	8,302,708
Less: Impairment . . . . .	(574,425)	(574,425)	(306,899)
Net carrying amount . . . . .	4,338,152	4,709,869	7,995,809

Particulars of the subsidiaries, which are directly owned by the Company, are included in note 1 to the Historical Financial Information.

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### 22. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

#### The Group and The Company

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Equity investments designated at fair value through other comprehensive income			
Unlisted equity investments, at fair value			
China Credit Trust Co., Ltd. . . . .	181,744	201,228	197,657
Baoshang Bank Co., Ltd.* . . . . .	—	—	—
Total . . . . .	<u>181,744</u>	<u>201,228</u>	<u>197,657</u>

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

\* According to Announcement No. (2020) Jing 01 Po 270-1 issued by the Beijing First Intermediate People’s Court, as of 31 October 2020, the net assets of Baoshang Bank Co., Ltd were negative RMB205,515 million, indicating that the bank was insolvent and incapable of repaying its debts. The court issued a declaration of bankruptcy of Baoshang Bank Co., Ltd. on 7 February 2021. The fair value of the Company’s investment in Baoshang Bank Co., Ltd. was reduced to nil accordingly.

### 23. DEFERRED TAX

#### The Group

The movements in gross deferred tax assets and liabilities during the Relevant Periods are as follows:

	Impairment of property, plant and equipment	Impairment of accounts receivable and other receivables	Impairment of inventories	Environmental rehabilitation	Accrued expenses	Losses available for offsetting against future taxable profits	Other non-current financial assets	Lease liabilities	Accelerated depreciation of property, plant and equipment	Others	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At 1 January 2023 . . . . .	19,591	27,716	225	1,965	10,395	246,301	—	3,668	13,745	11,648	335,254
Credited/(charged) to the statement of profit or loss (note 14) . . . . .	(187)	28	(225)	(120)	269	(26,841)	—	(3,629)	(2,413)	3,647	(29,471)
Acquisition of subsidiaries (note 48 (a)) . . . . .	—	—	—	—	—	15,180	—	—	—	2	15,182
At 31 December 2023 and 1 January 2024 . . . . .	19,404	27,744	—	1,845	10,664	234,640	—	39	11,332	15,297	320,965
Credited/(charged) to the statement of profit or loss (note 14) . . . . .	(188)	505	—	165	(1,725)	(24,539)	31,801	6,997	(2,619)	690	11,087
Exchange differences. . . . .	—	—	—	—	—	7	—	—	—	—	7
At 31 December 2024 and 1 January 2025 . . . . .	19,216	28,249	—	2,010	8,939	210,108	31,801	7,036	8,713	15,987	332,059
Charged/credited to the statement of profit or loss (note 14) . . . . .	(139)	(157)	—	141	1,499	(105,022)	—	(3,568)	(843)	7,190	(100,899)
Acquisition of subsidiaries (note 48 (b)) . . . . .	—	—	—	—	—	67,808	—	6,097	—	9	73,914
Exchange differences. . . . .	—	—	—	—	—	(50)	—	—	—	—	(50)
At 31 December 2025 . . . . .	<u>19,077</u>	<u>28,092</u>	<u>—</u>	<u>2,151</u>	<u>10,438</u>	<u>172,844</u>	<u>31,801</u>	<u>9,565</u>	<u>7,870</u>	<u>23,186</u>	<u>305,024</u>

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Deferred tax liabilities	Fair value adjustments to financial assets at fair value through other comprehensive income	Accelerated depreciation of property, plant and equipment	Fair value adjustment of equity investments	Fair value adjustments arising from acquisition of subsidiaries	Right-of-use assets	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023 . . . . .	31,891	45,706	37,419	254,543	3,436	139	373,134
Charged/(credited) to the statement of profit or loss (note 14) . . . . .	—	91	—	(98,720)	(3,398)	(139)	(102,166)
Credited to other comprehensive income . . . . .	(4,979)	—	—	—	—	—	(4,979)
At 31 December 2023 and 1 January 2024 . . . . .	26,912	45,797	37,419	155,823	38	—	265,989
Charged/(credited) to the statement of profit or loss (note 14) . . . . .	—	(3,004)	—	(20,796)	6,761	15	(17,024)
Charged to other comprehensive income . . . . .	4,871	—	—	—	—	—	4,871
At 31 December 2024 and 1 January 2025 . . . . .	31,783	42,793	37,419	135,027	6,799	15	253,836
Charged/(credited) to the statement of profit or loss (note 14) . . . . .	—	8,198	—	(22,300)	2,343	3,169	(8,590)
Credited to other comprehensive income . . . . .	(893)	—	—	—	—	—	(893)
Acquisition of subsidiaries (note 48(b)). . . . .	—	—	—	—	—	6,017	6,017
Exchange differences . . . . .	—	—	—	—	—	—	—
At 31 December 2025 . . . . .	30,890	50,991	37,419	112,727	9,142	9,201	250,370

For presentation purposes, certain gross deferred tax assets and liabilities have been offset in the statements of financial position. The following is the analysis of the deferred tax balances for financial reporting purposes:

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets . . . . .	281,803	280,718	241,341
Net deferred tax liabilities. . . . .	226,827	202,495	186,687

Deferred tax assets have not been recognised in respect of the following items:

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	RMB'000	RMB'000
Deductible temporary differences. . . . .	688,682	586,985	558,082
Tax losses . . . . .	234,773	229,111	357,686
Total . . . . .	923,455	816,096	915,768

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The unrecognised tax losses, will expire in the following years:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2024 . . . . .	47,452	—	—
31 December 2025 . . . . .	50,788	50,788	—
31 December 2026 . . . . .	48,983	48,983	171,562
31 December 2027 . . . . .	39,180	39,180	39,180
31 December 2028 . . . . .	48,370	48,370	48,370
31 December 2029 . . . . .	—	41,790	41,790
31 December 2030 . . . . .	—	—	56,784
Total . . . . .	<u>234,773</u>	<u>229,111</u>	<u>357,686</u>

**The Company**

The movements in gross deferred tax assets and liabilities during the Relevant Periods are as follows:

<u>Grosse deferred tax assets</u>	<u>Impairment losses on accounts receivable and other receivables</u>	<u>Losses available for offsetting against future taxable profits</u>	<u>Lease liabilities</u>	<u>Others</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023 . . . . .	26,224	129,320	3,624	3,096	162,264
Credited/(charged) to the statement of profit or loss . . . . .	<u>16</u>	<u>(35,322)</u>	<u>(3,624)</u>	<u>431</u>	<u>(38,499)</u>
At 31 December 2023 and 1 January 2024 . . . . .	26,240	93,998	—	3,527	123,765
Credited/(charged) to the statement of profit or loss . . . . .	<u>120</u>	<u>(19,275)</u>	<u>7,002</u>	<u>32,560</u>	<u>20,407</u>
At 31 December 2024 and 1 January 2025 . . . . .	26,360	74,723	7,002	36,087	144,172
(Charged)/credited to the statement of profit or loss . . . . .	<u>(139)</u>	<u>(60,303)</u>	<u>(3,378)</u>	<u>6,205</u>	<u>(57,615)</u>
At 31 December 2025 . . . . .	<u>26,221</u>	<u>14,420</u>	<u>3,624</u>	<u>42,292</u>	<u>86,557</u>

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**ACCOUNTANTS’ REPORT**

<b>Gross deferred tax liabilities</b>	<b>Fair value adjustments to financial assets at fair value through other comprehensive income</b>	<b>Right-of-use assets</b>	<b>Interest on long-term borrowings</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023 . . . . .	31,891	3,392	—	35,283
Charged/(credited) to the statement of profit or loss . . . . .	—	(3,392)	—	(3,392)
Credited to other comprehensive income . . . . .	(4,979)	—	—	(4,979)
At 31 December 2023 and 1 January 2024 . . . . .	26,912	—	—	26,912
Charged/(credited) to the statement of profit or loss . . . . .	—	6,766	—	6,766
Charged to other comprehensive income . . . . .	4,871	—	—	4,871
At 31 December 2024 and 1 January 2025 . . . . .	31,783	6,766	—	38,549
Charged/(credited) to the statement of profit or loss . . . . .	—	(3,383)	7,302	3,919
Credited to other comprehensive income . . . . .	(893)	—	—	(893)
At 31 December 2025 . . . . .	<u>30,890</u>	<u>3,383</u>	<u>7,302</u>	<u>41,575</u>

For presentation purposes, certain gross deferred tax assets and liabilities have been offset in the statements of financial position. The following is the analysis of the deferred tax balances for financial reporting purposes:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets . . . . .	<u>96,853</u>	<u>105,623</u>	<u>44,982</u>
Net deferred tax liabilities . . . . .	<u>—</u>	<u>—</u>	<u>—</u>

Deferred tax assets have not been recognised in respect of the following items:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deductible temporary differences . . . . .	<u>95,928</u>	<u>31,096</u>	<u>31,088</u>

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**24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

**The Group and The Company**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Unlisted equity investments, at fair value			
— Tongdu Mining . . . . .	—	167,607	167,607
Others			
— Yunan Trust* . . . . .	—	—	—
	<u>—</u>	<u>167,607</u>	<u>167,607</u>

\* In accordance with Xingye Group’s restructuring plan, and pursuant to the Beneficial Interest Transfer Agreement entered into in 2024, the Company received the right to income of 936,709,571 units of the Yunnan Trust — Xiangyun No. 20 Restructuring Service Trust (the “Yunnan Trust”) amounting to RMB937 million to settle against its aggregate amount receivable (including interest receivable arising therefrom) from Xingye Group, which was attributable to the profit/performance guarantee compensations in relation to three acquisition transactions prior to the beginning of the Relevant Periods in which the Company was the purchaser and Xingye Group was the seller. The Company was entitled to receive from the Yunnan Trust up to the principal amount of RMB937 million but not any excess returns from the Yunnan Trust. The underlying assets of the Yunan Trust comprise the equity interests of Xingye Group.

Among the aforementioned RMB937 million, there was an amount due from Xingye Group amounted to RMB86.0 million originally recorded in the “Prepayments, other receivables and other assets” account prior to the execution of the Beneficial Interest Transfer Agreement (See note 28), all of which had been impaired prior to the beginning of the Relevant Periods. Given that the bankruptcy reorganisation of Xingye Group had been ongoing throughout 2024 and completed in October 2025, and in view of there is neither repayment schedule set out in the Yunnan Trust nor distribution made from the Yunnan Trust since its establishment, the directors of Company concluded that the fair value of the 937 million trust units held was immaterial and approximated to nil as at 31 December 2024 and 2025, respectively.

**25. OTHER NON-CURRENT ASSETS**

**The Group**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</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 . . . . .	<u>116,244</u>	<u>406,627</u>	<u>215,995</u>

**The Company**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Advance payment for land, construction and equipment . . . . .	10	233	293
Prepayment for acquisition of a subsidiary . . . . .	—	300,000	—
Amounts due from subsidiaries (a) . . . . .	424,917	—	1,624,183
Total . . . . .	<u>424,927</u>	<u>300,233</u>	<u>1,624,476</u>

(a) The details of the amounts due from subsidiaries are as follows:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Yubang Mining . . . . .	—	—	1,009,422
Bosheng Mining (note) . . . . .	424,917	—	614,761
Total . . . . .	<u>424,917</u>	<u>—</u>	<u>1,624,183</u>

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Note: The Company’s other receivables from Bosheng Mining amounting to RMB549,122,000 were presented in note 28(a) as of 31 December 2024.

### 26. INVENTORIES

#### The Group

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</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
Carrying amount . . . . .	<u>276,353</u>	<u>506,077</u>	<u>574,713</u>

#### The Company

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Raw materials . . . . .	96	81	36
Carrying amount . . . . .	<u>96</u>	<u>81</u>	<u>36</u>

### 27. TRADE AND NOTES RECEIVABLES

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade receivables . . . . .	12,437	4,691	2,680
Notes receivable . . . . .	250,000	—	95,833
	262,437	4,691	98,513
Less: impairment . . . . .	(8,122)	(235)	(144)
Net carrying amount . . . . .	<u>254,315</u>	<u>4,456</u>	<u>98,369</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due, the calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Within 12 months . . . . .	11,805	4,446	2,480
13 to 24 months . . . . .	10	10	53
Over 24 months . . . . .	—	—	3
	<u>11,815</u>	<u>4,456</u>	<u>2,536</u>

The ageing of notes receivable as at the end of each of the Relevant Periods was within 6 months. The net carrying amounts of notes receivable as at 31 December 2023, 2024 and 2025 were RMB242,500,000, nil and RMB95,833,000, respectively.

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The movements in the loss allowance for impairment of trade and notes receivables are as follows:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year . . . . .	114	8,122	235
Impairment provided/(reversed) . . . . .	8,009	(7,887)	(99)
Amount written off as uncollectible . . . . .	(1)	—	—
Others . . . . .	—	—	8
At end of year . . . . .	<u>8,122</u>	<u>235</u>	<u>144</u>

Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing of bills for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group’s trade and notes receivables using a provision matrix:

**As at 31 December 2023**

	<u>Expected credit loss rate</u>	<u>Gross carrying amount</u>	<u>Expected credit losses</u>	<u>Net carrying amount</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Provision on collective basis				
Within 12 months . . . . .	3.09%	262,426	8,121	254,305
13 to 24 months . . . . .	9.09%	11	1	10
At end of year . . . . .	<u>3%</u>	<u>262,437</u>	<u>8,122</u>	<u>254,315</u>

**As at 31 December 2024**

	<u>Expected credit loss rate</u>	<u>Gross carrying amount</u>	<u>Expected credit losses</u>	<u>Net carrying amount</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Provision on collective basis				
Within 12 months . . . . .	5.00%	4,680	234	4,446
13 to 24 months . . . . .	9.09%	11	1	10
At end of year . . . . .	<u>5%</u>	<u>4,691</u>	<u>235</u>	<u>4,456</u>

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**As at 31 December 2025**

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Provision on collective basis				
Within 12 months . . . . .	0.13%	98,444	131	98,313
13 to 24 months . . . . .	10.17%	59	6	53
Over 24 months . . . . .	70.00%	10	7	3
At end of year . . . . .	<u>0.15%</u>	<u>98,513</u>	<u>144</u>	<u>98,369</u>

**28. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS**

**The Group**

	<i>Notes</i>	31 December 2023	31 December 2024	31 December 2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
<b>Current</b>				
Prepayments . . . . .		5,548	5,248	27,726
Deposits and other receivables . . . . .		28,970	41,536	31,779
Amounts due from related parties . . . . .	<i>(a)</i>	120,117	34,098	34,098
Dividends receivable . . . . .		441	441	441
Trust industry protection fund . . . . .		—	—	10,800
Other assets . . . . .		6,295	3,542	5,566
		<u>161,371</u>	<u>84,865</u>	<u>110,410</u>
Less: Impairment allowance . . . . .	<i>(b)</i>	<u>(107,693)</u>	<u>(28,777)</u>	<u>(28,296)</u>
Total-current . . . . .		<u>53,678</u>	<u>56,088</u>	<u>82,114</u>
<b>Non-current</b>				
Trust industry protection fund . . . . .		10,800	10,800	—
Others . . . . .		4,000	6,000	—
Total non-current . . . . .		<u>14,800</u>	<u>16,800</u>	<u>—</u>
Total . . . . .		<u>68,478</u>	<u>72,888</u>	<u>82,114</u>

(a) The details of the amounts due from related parties are as follows:

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Xingye Group * . . . . .	86,019	—	—
Tongdu Mining . . . . .	34,098	34,098	34,098
Total . . . . .	<u>120,117</u>	<u>34,098</u>	<u>34,098</u>

\* Amounts due from this related party above are non-trade.

The amount due from Xingye Group represents receivable attributable to the profit/performance guarantee compensations in relation to acquisition transactions prior to the beginning of the Relevant Periods, further details of which are set out in note 24 to the Historical Financial Information.

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**ACCOUNTANTS’ REPORT**

(b) The movements in the impairment allowance are as follows:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year . . . . .	112,331	107,693	28,777
Impairment provided . . . . .	696	7,103	(625)
Impairment written-off . . . . .	(5,349)	(86,019)	—
Others . . . . .	15	—	144
At end of year . . . . .	<u>107,693</u>	<u>28,777</u>	<u>28,296</u>

An impairment analysis is performed the end of each of the Relevant Periods by considering the probability of default. As at 31 December 2023, 2024 and 2025, the probability of default applied ranged from approximately 7% to 100% and the loss given default were estimated to be 75% or 100%, which were determined by whether the amounts were past due. In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rates applied where there were no comparable companies as at 31 December 2023, 2024 and 2025 ranged from 5% to 100%.

**The Company**

	<i>Notes</i>	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current</b>				
Prepayments . . . . .		669	194	8,909
Deposits and other receivables . . . . .		19,129	28,724	17,562
Amounts due from related parties and subsidiaries . . . . .	<i>(a)</i>	1,605,877	1,983,453	1,225,962
Dividends receivable . . . . .		441	235,441	441
Trust industry protection fund . . . . .		—	—	10,800
Other assets . . . . .		1,372	635	472
		<u>1,627,488</u>	<u>2,248,447</u>	<u>1,264,146</u>
Less: Impairment allowance . . . . .	<i>(b)</i>	(916,030)	(833,632)	(833,074)
Total current . . . . .		<u>711,458</u>	<u>1,414,815</u>	<u>431,072</u>
<b>Non-current</b>				
Trust industry protection fund . . . . .		10,800	10,800	—
Total non-current . . . . .		<u>10,800</u>	<u>10,800</u>	<u>—</u>
Total . . . . .		<u>722,258</u>	<u>1,425,615</u>	<u>431,072</u>

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**ACCOUNTANTS’ REPORT**

(a) The details of the amounts due from related parties and subsidiaries are as follows:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Xingye Group . . . . .	86,019	—	—
Tongdu Mining . . . . .	34,098	34,098	34,098
Tanghe Shidai Mining Co., Ltd. . . . .	538,082	250,960	256,111
Xilin Mining . . . . .	7,195	—	—
Shuangyuan . . . . .	887,025	876,494	880,514
Chifeng Rongbang Mining Co., Ltd. . . . .	46,572	264,500	45,000
Yitong Mining . . . . .	6,886	8,279	9,639
Bosheng Mining . . . . .	—	549,122	—
Beijing Xingye Ruijin Technology Co., Ltd. . . . .	—	—	600
Total . . . . .	<u>1,605,877</u>	<u>1,983,453</u>	<u>1,225,962</u>

*Note:* Amounts due from related parties and subsidiaries above are non-trade.

(b) The movements in the impairment allowance are as follows:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year . . . . .	906,363	916,030	833,632
Impairment provided/(reversed) . . . . .	9,667	3,621	(558)
Impairment written-off . . . . .	—	(86,019)	—
At end of year . . . . .	<u>916,030</u>	<u>833,632</u>	<u>833,074</u>

**29. CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH**

**The Group**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances . . . . .	314,392	1,103,032	1,231,706
Other monetary funds ( <i>note</i> ) . . . . .	25,096	35,748	61,767
Total . . . . .	339,488	1,138,780	1,293,473
Less: Restricted cash ( <i>note 42</i> ) . . . . .	(24,736)	(35,748)	(34,271)
Cash and cash equivalents . . . . .	<u>314,752</u>	<u>1,103,032</u>	<u>1,259,202</u>
Denominated in:			
RMB . . . . .	314,752	1,091,366	1,227,540
USD* . . . . .	—	3,404	14,327
HKD . . . . .	—	8,262	18
AUD . . . . .	—	—	2,214
MAD . . . . .	—	—	15,103
Total . . . . .	<u>314,752</u>	<u>1,103,032</u>	<u>1,259,202</u>

*Note:* As at 31 December 2023, 2024 and 2025, other monetary funds included restricted funds and unrestricted deposits in futures trading accounts.

\* USD stands for United States Dollar.

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As at 31 December 2023, 2024 and 2025, the restricted cash included in the Group’s bank balances are as follows:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Restricted bank deposits . . . . .	643	—	—
Deposits for notes payable . . . . .	—	18,097	—
Special fund deposits for environmental rehabilitation and restoration . . . . .	9,549	17,095	21,213
Wage deposits for migrant workers . . . . .	555	556	556
Futures margin . . . . .	13,989	—	12,418
Interests on 7-day notice deposit . . . . .	—	—	84
Total . . . . .	<u>24,736</u>	<u>35,748</u>	<u>34,271</u>

The RMB is not freely convertible into other currencies, however, under Chinese mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

### The Company

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cash and bank balances . . . . .	<u>685</u>	<u>164,117</u>	<u>9,755</u>

### 30. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Iron ore futures . . . . .	1,620	—	—
Tin futures . . . . .	—	—	8,343
Total . . . . .	<u>1,620</u>	<u>—</u>	<u>8,343</u>

The Group enters zinc, silver and iron ore futures contracts occasionally mainly to effectively avoid the impact of commodity price fluctuations.

The Group’s has entered into zinc and silver futures contracts on the Shanghai Futures Exchange and in iron ore futures contracts on the Dalian Commodity Exchange. Each contract price is based on the settlement price on the Shanghai Futures Exchange or the Dalian Commodity Exchange after the end of each day’s trading.

### 31. TRADE AND NOTES PAYABLES

#### The Group

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade payables . . . . .	903,153	929,718	1,013,653
Notes payable . . . . .	—	18,000	—
Letter of credit payable . . . . .	—	—	32,500
Total . . . . .	<u>903,153</u>	<u>947,718</u>	<u>1,046,153</u>

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The trade and notes payables are non-interest-bearing and are normally settled within one year or are repayable on demand.

An ageing analysis of trade and notes payables as at the end of each of the Relevant Periods is as follows:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 12 months . . . . .	701,612	801,472	873,248
13 to 24 months . . . . .	71,328	40,516	55,292
25 to 36 months . . . . .	21,926	18,412	25,937
Over 36 months . . . . .	108,287	87,318	91,676
Total . . . . .	<u>903,153</u>	<u>947,718</u>	<u>1,046,153</u>

### The Company

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables . . . . .	<u>46,512</u>	<u>62,363</u>	<u>32,309</u>

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 12 months . . . . .	40,462	56,540	24,819
13 to 24 months . . . . .	1,130	916	2,452
25 to 36 months . . . . .	67	30	132
Over 36 months . . . . .	4,853	4,877	4,906
Total . . . . .	<u>46,512</u>	<u>62,363</u>	<u>32,309</u>

## 32. CONTRACT LIABILITIES

### The Group

	<u>1 January 2023</u>	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Short-term advances received from customers				
Sale of mineral products . . . . .	141,676	180,751	34,747	332,443
	<u>141,676</u>	<u>180,751</u>	<u>34,747</u>	<u>332,443</u>

### The Company

	<u>1 January 2023</u>	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Short-term advances received from customers				
Consulting service fees . . . . .	—	6,812	8,548	8,832
	<u>—</u>	<u>6,812</u>	<u>8,548</u>	<u>8,832</u>

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### 33. OTHER PAYABLES AND ACCRUALS

#### The Group

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings 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 value added tax . . . . .	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
<b>Total . . . . .</b>	<b>1,187,257</b>	<b>881,527</b>	<b>1,112,868</b>

\* It represented tax overdue charges mainly arising from late payment of value added tax, income tax and resource tax by Rongguan Mining, Yinman Mining and Qianjinda Mining payable to local tax bureaus which have been fully settled by March 2026.

#### The Company

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Dividends payable . . . . .	5,519	—	—
Salaries, wages and benefits payables . . . . .	11,874	15,183	11,423
Other tax payables . . . . .	1,287	313	3,108
Deferred output value added tax . . . . .	409	513	530
Payable for purchase of mineral exploration rights . . . . .	—	8,000	—
Payable for acquisitions of a subsidiary . . . . .	—	—	30,000
Advanced receipt for disposal of a joint venture . . . . .	—	—	83,803
Amounts due to subsidiaries . . . . .	131,980	—	150,800
Others . . . . .	2,097	2,046	29,906
<b>Total . . . . .</b>	<b>153,166</b>	<b>26,055</b>	<b>309,570</b>

### 34. SHORT-TERM BANK AND OTHER LOANS

#### The Group

	31 December 2023			31 December 2024			31 December 2025		
	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>
Bank loans — unsecured . . . . .	—	—	—	4.90	2025	10,015	—	—	—
Bank loans — secured (note ii) . . .	1.67-5.05	2024	363,519	3.95-5.05	2025	294,023	3.95-5.05	2026	665,517
Other loans — secured (note ii) . . .	7.3	2024	20,055	—	—	—	—	—	—
<b>Total . . . . .</b>			<b>383,574</b>			<b>304,038</b>			<b>665,517</b>

#### Notes:

i. As at 31 December 2023, 2024 and 2025, the Group had no overdue short-term loans.

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- ii. Certain of the Group’s short-term bank and other loans and long-term bank and other loans were secured by:
  - a. Property, plant and equipment (mineral assets) with carrying amounts of approximately RMB183,457,000, RMB267,699,000 and RMB445,753,000 as of 31 December 2023, 2024 and 2025, respectively;
  - b. Intangible assets with carrying amounts of approximately RMB2,279,719,000, RMB1,811,040,000 and RMB5,151,346,000 as of 31 December 2023, 2024 and 2025, respectively;
  - c. Right-of-use assets with carrying amounts of approximately RMB63,404,000, RMB42,801,000 and RMB86,592,000 as of 31 December 2023, 2024 and 2025, respectively; and
  - d. Notes receivables with carrying amounts of approximately RMB100,000,000, nil and nil as of 31 December 2023, 2024 and 2025, respectively.
- iii. Certain of the Group’s short-term bank and other loans and long-term bank and other loans were guaranteed by the ultimate controlling shareholder of Xingye Group and the chairman of the board of the Company Ji Xingye and his spouse Li Suhua. At 31 December 2023, 2024 and 2025, the guaranteed amounts were RMB1,535,990,000, RMB1,834,033,000 and RMB2,957,368,000, respectively.
- iv. As at 31 December 2023, 2024 and 2025, all the short-term bank and other loans were denominated in RMB.
- v. As at 31 December 2023, 2024 and 2025, interest rates of all the short-term bank and other loans were fixed.

**The Company**

	31 December 2023			31 December 2024			31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Bank loans — secured . . . . .	—	—	—	—	—	—	4.50	2026	68,594
Other loans — secured . . . . .	7.30	2024	20,055	—	—	—	—	—	—
Total . . . . .			20,055			—			68,594

*Notes:*

- i. As at 31 December 2023, 2024 and 2025, the Company had no overdue short-term loans.
- ii. Certain of the Company’s short-term bank and other loans and long-term bank and other loans were secured by:
  - a. Intangible assets with carrying amounts of approximately RMB1,073,727,000, RMB1,043,543,000 and RMB4,562,003,000 as of 31 December 2023, 2024 and 2025, respectively;
  - b. Right-of-use assets with carrying amounts of approximately nil, nil and RMB54,356,000 as of 31 December 2023, 2024 and 2025, respectively; and
  - c. Investments in subsidiaries with carrying amounts of approximately nil, nil and RMB2,388,000,000 as of 31 December 2023, 2024 and 2025, respectively.
- iii. Certain of the Company’s short-term bank and other loans and long-term bank and other loans were guaranteed by the ultimate controlling shareholder of Xingye Group and the chairman of the board of the Company Ji Xingye and his spouse Li Suhua. At 31 December 2023, 2024 and 2025, the guaranteed amounts were RMB999,990,000, RMB879,970,000 and RMB1,849,950,000, respectively.
- iv. As at 31 December 2023, 2024 and 2025, all the short-term bank and other loans were denominated in RMB.
- v. As at 31 December 2023, 2024 and 2025, interest rates of all the short-term bank and other loans were fixed.

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**35. LONG-TERM BANK AND OTHER LOANS**

**The Group**

	31 December 2023			31 December 2024			31 December 2025		
	Effective interest rate (%)	Maturity	RMB’000	Effective interest rate (%)	Maturity	RMB’000	Effective interest rate (%)	Maturity	RMB’000
<b>Current</b>									
Long-term bank loans — secured . . . . .	4.97	2024	4,415	4.62–4.90	2025	269,784	4.50–4.90	2026	140,102
Long-term other loans — secured . . . . .	6.48–7.30	2024	152,641	5.86–7.30	2025	515,986	3.23–6.28	2026	731,658
Total current . . . . .			<u>157,056</u>			<u>785,770</u>			<u>871,760</u>
<b>Non-current</b>									
Long-term bank loans — secured . . . . .	4.97	2025	269,000	4.90	2026–2027	260,000	4.50–4.90	2027–2032	2,016,164
Long-term other loans — secured . . . . .	6.48–7.30	2025–2026	919,086	5.86–7.30	2026	538,032	3.23–5.63	2027–2028	168,632
Total non-current . . . . .			<u>1,188,086</u>			<u>798,032</u>			<u>2,184,796</u>
Total . . . . .			<u><u>1,345,142</u></u>			<u><u>1,583,802</u></u>			<u><u>3,056,556</u></u>

*Notes:*

- i. As at 31 December 2023, 2024 and 2025, all the long-term bank and other loans were denominated in RMB.
- ii. Details of the securities of the Group’s long-term bank and other loans are included in note 34 to the Historical Financial Information.

	31 December 2023	31 December 2024	31 December 2025
	RMB’000	RMB’000	RMB’000
Analysed into:			
Long-term bank loans:			
Within one year . . . . .	4,415	269,784	140,102
After 1 year but within 2 years . . . . .	269,000	60,000	411,070
After 2 years but within 5 years . . . . .	—	200,000	1,058,878
After 5 years . . . . .	—	—	546,216
Long-term other loans:			
Within one year . . . . .	152,641	515,986	731,658
After 1 year but within 2 years . . . . .	439,136	538,032	99,194
After 2 years but within 5 years . . . . .	479,950	—	69,438
After 5 years . . . . .	—	—	—
Total . . . . .	<u><u>1,345,142</u></u>	<u><u>1,583,802</u></u>	<u><u>3,056,556</u></u>

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	31 December 2023	31 December 2024	31 December 2025
	RMB’000	RMB’000	RMB’000
Fixed interest rate . . . . .	1,072,142	1,143,623	2,834,638
Variable interest rate . . . . .	273,000	440,179	221,918
Total . . . . .	<u><u>1,345,142</u></u>	<u><u>1,583,802</u></u>	<u><u>3,056,556</u></u>

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### The Company

	31 December 2023			31 December 2024			31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>									
Long-term bank loans — secured .	—	—	—	—	—	—	4.5	2026	19,128
Long-term other loans — secured .	7.30	2024	102,196	7.30	2025	401,983	4.5	2026	480,610
Total current . . . . .			102,196			401,983			499,738
<b>Non-current</b>									
Long-term bank loans — secured .	—	—	—	—	—	—	4.5	2027–2032	1,272,920
Long-term other loans — secured .	7.30	2025–2026	879,970	7.30	2026	479,950	—	—	—
Total non-current . . . . .			879,970			479,950			1,272,920
Total . . . . .			982,166			881,933			1,772,658

*Notes:*

- i. As at 31 December 2023, 2024 and 2025, all the long-term bank and other loans were denominated in RMB.
- ii. Details of the securities of the Company’s long-term loans are included in note 34 to the Historical Financial Information.
- iii. As at 31 December 2023, 2024 and 2025, interest rates of all the long-term bank and other loans were fixed.

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	RMB'000	RMB'000
Analysed into:			
Long-term bank loans:			
Within one year . . . . .	—	—	19,128
After 1 year but within 2 years . . . . .	—	—	59,719
After 2 years but within 5 years . . . . .	—	—	666,985
After 5 years . . . . .	—	—	546,216
Long-term other loans:			
Within one year . . . . .	102,196	401,983	480,610
After 1 year but within 2 years . . . . .	400,020	479,950	—
After 2 years but within 5 years . . . . .	479,950	—	—
After 5 years . . . . .	—	—	—
Total . . . . .	982,166	881,933	1,772,658

### 36. PROVISIONS

Pursuant to the regulations of the governmental authorities of the places where the mines are located, the Group makes provision for environmental rehabilitation and restoration of mines. The amount of provision is an estimate based upon the life of mining tenements, timing of mine closure and cost of such rehabilitation. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

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The movements in the present value of the provision during the Relevant Periods are as follows:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At beginning of year . . . . .	94,250	117,612	123,442
Acquisition of a subsidiary ( <i>note 48</i> ) . . . . .	4,267	—	30,175
Additions . . . . .	13,688	—	2,311
Accretion of interest recognised during the year ( <i>note 12</i> ) . . . . .	5,407	5,830	7,875
Others . . . . .	—	—	(8,614)
At end of year . . . . .	<u>117,612</u>	<u>123,442</u>	<u>155,189</u>

### 37. OTHER NON-CURRENT/CURRENT LIABILITIES

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Payable for proceeds from the assignment of mining rights* . . . . .	—	—	313,813
Analysed into:			
Current portion . . . . .	—	—	25,896
Non-current portion . . . . .	—	—	287,917

\* The payable relates to Yubang Mining, a subsidiary acquired in 2025, which is scheduled to be settled by installment until year 2035.

### 38. SHARE CAPITAL

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Issued and fully paid . . . . .	<u>1,837,192</u>	<u>1,775,636</u>	<u>1,775,636</u>

A summary of movements in the Company’s share capital during the Relevant Periods is as follows:

	<u>Number of shares in issue</u>	<u>Share capital</u>
		<i>RMB’000</i>
At 1 January 2023, 31 December 2023 and 1 January 2024. . . . .	1,837,192,219	1,837,192
Cancellation of shares . . . . .	61,556,480	61,556
At 31 December 2024, 1 January 2025 and 31 December 2025 . .	<u>1,775,635,739</u>	<u>1,775,636</u>

As stated in note of the consolidated statements of changes in equity, the Company bought back and cancelled 61,556,480 shares during the year ended 31 December 2024.

### 39. RESERVES

The amounts of the Group’s reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

#### Statutory surplus reserve

Pursuant to the relevant laws and regulations and the articles of association of the Company, the Company is required to transfer 10% of its profit after income tax, as determined under Accounting Standards for Business Enterprises of the People’s Republic of China, to the reserve fund until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before

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the distribution of dividends to equity owners. Upon the approval from the relevant authorities, this reserve can be used to make up any losses incurred or to increase share capital. Except for offsetting against losses, this reserve cannot fall below 25% of the registered share capital after being used to increase share capital. The reserves available for distribution to shareholders are the retained profits.

**Specific reserve for maintenance and production funds**

Pursuant to the relevant PRC regulations, the Group is required to transfer production and maintenance funds based on ore mining volume, to a specific reserve account. The production and maintenance funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of production and maintenance funds utilised would be transferred from the specific reserve account to retained profits.

**Exchange fluctuation reserve**

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with functional currencies other than RMB. The reserve is dealt with in accordance with the accounting policies set out in note 4 to the Historical Financial Information.

**40. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS**

Details of the Group’s subsidiaries that have material non-controlling interests are set out below:

	<u>Year ended</u> <u>31 December 2023</u>	<u>Year ended</u> <u>31 December 2024</u>	<u>Year ended</u> <u>31 December 2025</u>
Percentage of equity interest held by non-controlling interests:			
Yubang Mining . . . . .	—	—	15%
Bosheng Mining . . . . .	30%	30%	30%
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Profit/(loss) for the year allocated to non-controlling interests:			
Yubang Mining . . . . .	—	—	20,807
Bosheng Mining . . . . .	(16,000)	(27,947)	(19,460)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Accumulated balances of non-controlling interests at the end of the Relevant Periods:			
Yubang Mining . . . . .	—	—	442,219
Bosheng Mining . . . . .	104,000	76,053	56,593
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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**Year ended 31 December 2023**

	<b>Bosheng Mining</b>
	<i>RMB'000</i>
Revenue . . . . .	19,126
Total expenses . . . . .	81,565
Loss for the year . . . . .	(62,439)
Total comprehensive loss for the year . . . . .	(53,337)
Current assets . . . . .	19,657
Non-current assets . . . . .	1,425,586
Current liabilities . . . . .	1,089,574
Non-current liabilities . . . . .	9,005
Net cash flows used in operating activities . . . . .	(24,130)
Net cash flows used in investing activities . . . . .	(4,279)
Net cash flows from financing activities . . . . .	27,988
Net decrease in cash and cash equivalents . . . . .	(421)

**Year ended 31 December 2024**

	<b>Bosheng Mining</b>
	<i>RMB'000</i>
Revenue . . . . .	4,046
Total expenses . . . . .	108,041
Loss for the year . . . . .	(103,995)
Total comprehensive loss for the year . . . . .	(93,150)
Current assets . . . . .	26,949
Non-current assets . . . . .	1,436,278
Current liabilities . . . . .	1,200,379
Non-current liabilities . . . . .	9,335
Net cash flows used in operating activities . . . . .	(69,213)
Net cash flows used in investing activities . . . . .	(17,453)
Net cash flows from financing activities . . . . .	87,410
Net increase in cash and cash equivalents . . . . .	744

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**Year ended 31 December 2025**

	<b>Yubang Mining</b>	<b>Bosheng Mining</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue . . . . .	777,391	30,755
Total expenses . . . . .	589,698	101,836
Profit/(loss) for the year . . . . .	187,693	(71,081)
Total comprehensive income/(loss) for the year . . . . .	138,647	(64,865)
Current assets . . . . .	188,271	30,985
Non-current assets . . . . .	4,474,641	1,453,950
Current liabilities . . . . .	1,368,813	1,286,599
Non-current liabilities . . . . .	346,040	9,688
Net cash flows from/(used in) operating activities . . . . .	235,713	(8,937)
Net cash flows used in investing activities . . . . .	(222,910)	(18,277)
Net cash flows from financing activities . . . . .	55,041	27,030
Net increase/(decrease) in cash and cash equivalents . . . . .	67,844	(184)

**41. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(a) Major non-cash transactions**

As disclosed in note of the consolidated statements of changes in equity, during the year ended 31 December 2024, the Group brought back and cancelled 61,556,480 shares which had been issued to the Acting in Concert Persons.

During the Relevant Periods, the Group had non-cash additions to the right-of-use assets and lease liabilities of nil, RMB40,598,000 and nil for the years ended 31 December 2023, 2024 and 2025 respectively, in respect of lease arrangements.

During the Relevant Periods, the Group had non-cash transactions of the derecognition of discounted bills amounted to nil, RMB100,000,000 and nil for the years ended 31 December 2023, 2024 and 2025, respectively.

During the Relevant Periods, the Group had non-cash transactions of the bills endorsement to settle the trade payables amounted to RMB30,000,000, nil and RMB50,208,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

**(b) Changes in liabilities arising from financing activities**

	<b>Short-term bank and other loans</b>	<b>Long-term bank and other loans</b>	<b>Lease liabilities</b>	<b>Other payables and accruals</b>	<b>Other non-current liabilities</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023 . . . . .	395,505	273,431	30,402	1,734	1,221,418	1,922,490
Changes from financing cash flows . . . . .	(25,940)	1,008,689	(4,517)	(391,923)	(1,260,092)	(673,783)
Interest expenses . . . . .	14,009	63,022	7	15,337	38,674	131,049
Acquisition of a subsidiary . . . . .	—	—	—	972,279	—	972,279
Others . . . . .	—	—	1,305	(1,247)	—	58
As at 31 December 2023 . . . . .	383,574	1,345,142	27,197	596,180	—	2,352,093

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	Short-term bank and other loans	Long-term bank and other loans	Lease liabilities	Other payables and accruals	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2024 . . .	383,574	1,345,142	27,197	596,180	2,352,093
Changes from financing					
cash flows . . . . .	6,928	145,096	(42,920)	(5,032)	104,072
Interest expenses . . . . .	13,536	93,564	1,911	2,554	111,565
Non-cash transaction . . .	(100,000)	—	40,598	—	(59,402)
Others . . . . .	—	—	1,304	(2,022)	(718)
As at 31 December					
2024 . . . . .	<u>304,038</u>	<u>1,583,802</u>	<u>28,090</u>	<u>591,680</u>	<u>2,507,610</u>

	Short-term bank and other loans	Long-term bank and other loans	Lease liabilities	Other payables and accruals	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2025 . . .	304,038	1,583,802	28,090	591,680	2,507,610
Changes from financing					
cash flows . . . . .	325,579	1,330,972	(17,918)	(885,258)	753,375
Interest expenses . . . . .	25,900	145,782	3,168	15,921	190,771
Non-cash transaction . . .	10,000	(4,000)	—	—	6,000
Acquisition of					
subsidiaries . . . . .	—	—	25,839	913,539	939,378
Others . . . . .	—	—	1,305	(5,937)	(4,632)
As at 31 December					
2025 . . . . .	<u>665,517</u>	<u>3,056,556</u>	<u>40,484</u>	<u>629,945</u>	<u>4,392,502</u>

**(c) Total cash outflow for leases**

The total cash outflow for leases included in the statements of cash flows is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within operating activities . . . . .	(6,731)	(9,266)	(7,288)
Within financing activities . . . . .	(4,517)	(42,920)	(17,918)
	<u>(11,248)</u>	<u>(52,186)</u>	<u>(25,206)</u>

**42. PLEDGE OF ASSETS**

Details of the Group’s assets pledged for the Group’s interest-bearing bank and other loans are included in notes 34 and 35 to the Historical Financial Information.

Details of the Group’s restricted cash are included in note 29 to the Historical Financial Information.

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**43. COMMITMENTS AND CONTINGENCIES**

Other than the proposed equity acquisition as detailed in note 50 to the Historical Financial Information, the Group had the following capital commitments at the end of each of the Relevant Periods:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Contracted, but not provided for:			
Property, plant and equipment . . . . .	11,799	7,302	114,378

**44. RELATED PARTY TRANSACTIONS**

(a) The Group had the following related parties during the Relevant Periods:

<u>Name of related parties</u>	<u>Relationship between related parties and the Company</u>
Xingye Group . . . . .	Parent company
Tongdu Mining . . . . .	Joint venture
Ji Xingye . . . . .	Ultimate controlling shareholder
Hainan Jinwei Mining Co., Ltd. . . . .	A company controlled by relatives of the ultimate controlling shareholder

(b) The Group had the following transactions with related parties during the Relevant Periods:

	<u>Year ended</u> <u>31 December 2023</u>	<u>Year ended</u> <u>31 December 2024</u>	<u>Year ended</u> <u>31 December 2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Management fees ( <i>note i</i> ) . . . . .	—	—	100
Acquisitions of Mining rights ( <i>note ii</i> ) . . . . .	—	120,000	—
Purchasing materials . . . . .	—	4,032	—

*Notes:*

- (i) Xingye Group, has entrusted its subsidiary, Xiwuzhumuqin Qi Budunyingen Mining Co., Ltd. to the Company for daily operation and management for three years starting from 31 December 2024 with a management fee of RMB100,000 per year.
- (ii) In 2024, Xilin Mining and Rongguan Mining, subsidiaries of the Company, have entered into agreements with Xingye Group to acquire two mineral exploration rights held by Xingye Group at a total consideration of RMB120 million. The considerations was fully paid in October 2024.

(c) Rental charge paid:

**Year ended 31 December 2023**

	<u>Category of</u> <u>leased assets</u>	<u>Rental</u> <u>payments</u>	<u>Interest</u> <u>expenses of</u> <u>lease liabilities</u>	<u>Increase in</u> <u>right-of-use</u> <u>assets</u>
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Xingye Group . . . . .	Buildings	4,500	—	—

**Year ended 31 December 2024**

	<u>Category of</u> <u>leased assets</u>	<u>Rental</u> <u>payments</u>	<u>Interest</u> <u>expenses of</u> <u>lease liabilities</u>	<u>Increase in</u> <u>right-of-use</u> <u>assets</u>
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Xingye Group . . . . .	Buildings	42,904	1,905	40,598

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**Year ended 31 December 2025**

	<u>Category of leased assets</u>	<u>Rental payments</u>	<u>Interest expenses of lease liabilities</u>	<u>Increase in right-of-use assets</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Xingye Group. . . . .	Buildings	15,801	986	—

(d) Outstanding balances with related parties:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other receivables			
Xingye Group. . . . .	86,019	—	—
Tongdu Mining . . . . .	34,098	34,098	34,098
<b>Total . . . . .</b>	<b>120,117</b>	<b>34,098</b>	<b>34,098</b>
Dividends payable			
Xingye Group. . . . .	5,519	—	—
Trade payables			
Hainan Jinwei Mining Co., Ltd.. . . . .	—	488	—
Lease Liabilities			
Xingye Group. . . . .	27,102	28,993	14,496

(e) On 12 December 2024, the 11th meeting of the 10th Board of Directors and the 9th meeting of the 10th Board of Supervisors held by the Company approved the Proposal on Providing Guarantee for Tiantong Mining. The Company planned to provide no more than RMB220 million joint and several liability guarantee for the financing of Tiantong Mining, with a guarantee period of three years from the expiration date of the principal contract. At the same time, Tiantong Mining provided counter guarantee for the Company’s current guarantee with its mining rights. The controlling shareholder of Tiantong Mining, Chifeng Bochuang Mining Co., Ltd., pledged its 51% equity in Tiantong Mining to the Company, providing counter guarantee for the Company’s current guarantee. The guarantee started on 2 April 2025.

(f) As disclosed in notes 24 and 28 to the Historical Financial Information, in accordance with Xingye Group’s restructuring plan, and pursuant to the Beneficial Interest Transfer Agreement entered into in 2024, the Company received the right to income of 936,709,571 units of the Yunnan Trust amounting to RMB937 million.

(g) Compensation of key management personnel of the Group:

	<u>Year ended 31 December 2023</u>	<u>Year ended 31 December 2024</u>	<u>Year ended 31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fees. . . . .	760	760	737
Salaries, allowances and benefits in kind . . . .	5,930	5,138	5,205
Performance related bonuses . . . . .	3,364	5,377	2,936
Pension and social insurance . . . . .	857	882	918
<b>Total . . . . .</b>	<b>10,911</b>	<b>12,157</b>	<b>9,796</b>

Further details of directors’ emoluments are included in note 8 to the Historical Financial Information.

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**45. FINANCIAL INSTRUMENTS BY CATEGORY**

The carrying amounts of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

**31 December 2023**

Financial assets	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and notes receivables . . . . .	254,315	—	254,315
Financial assets included in prepayments, other receivables and other assets . . . . .	56,635	—	56,635
Equity investments designated at fair value through other comprehensive income . . . . .	—	181,744	181,744
Cash and cash equivalents . . . . .	314,752	—	314,752
Restricted cash . . . . .	24,736	—	24,736
	650,438	181,744	832,182
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial liabilities	Financial liabilities at amortised cost	Financial liabilities at fair value	Total
Trade and notes payables . . . . .	903,153	—	903,153
Financial liabilities at fair value through profit or loss . . . . .	—	1,620	1,620
Financial liabilities included in other payables and accruals . . . . .	647,415	—	647,415
Short-term bank and other loans . . . . .	383,574	—	383,574
Long-term bank and other loans . . . . .	1,345,142	—	1,345,142
	3,279,284	1,620	3,280,904

**31 December 2024**

Financial assets	Financial assets at amortised cost	Financial assets at fair value	Financial assets at fair value through other comprehensive income	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and notes receivables . . . . .	4,456	—	—	4,456
Financial assets included in prepayments, other receivables and other assets . . . . .	64,098	—	—	64,098
Equity investments designated at fair value through other comprehensive income . . . . .	—	—	201,228	201,228
Financial assets at fair value through profit or loss . . . . .	—	167,607	—	167,607
Cash and cash equivalents . . . . .	1,103,032	—	—	1,103,032
Restricted cash . . . . .	35,748	—	—	35,748
	1,207,334	167,607	201,228	1,576,169

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<b>Financial liabilities</b>	<b>Financial liabilities at amortised cost</b>	<b>Financial liabilities at fair value</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and notes payables . . . . .	947,718	—	947,718
Financial liabilities included in other payables and accruals . . . . .	639,948	—	639,948
Short-term bank and other loans . . . . .	304,038	—	304,038
Long-term bank and other loans . . . . .	1,583,802	—	1,583,802
	<u>3,475,506</u>	<u>—</u>	<u>3,475,506</u>

**31 December 2025**

<b>Financial assets</b>	<b>Financial assets at amortised cost</b>	<b>Financial assets at fair value</b>	<b>Financial assets at fair value through other comprehensive income</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and notes receivables . . . . .	98,369	—	—	98,369
Financial assets included in prepayments, other receivables and other assets . . . . .	48,822	—	—	48,822
Equity investments designated at fair value through other comprehensive income . . . . .	—	—	197,657	197,657
Financial assets at fair value through profit or loss . . . . .	—	167,607	—	167,607
Cash and cash equivalents . . . . .	1,259,202	—	—	1,259,202
Restricted cash . . . . .	34,271	—	—	34,271
	<u>1,440,664</u>	<u>167,607</u>	<u>197,657</u>	<u>1,805,928</u>

<b>Financial liabilities</b>	<b>Financial liabilities at amortised cost</b>	<b>Financial liabilities at fair value</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and notes payables . . . . .	1,046,153	—	1,046,153
Financial liabilities at fair value through profit or loss . . . . .	—	8,343	8,343
Financial liabilities included in other payables and accruals . . . . .	785,835	—	785,835
Short-term bank and other loans . . . . .	665,517	—	665,517
Long-term bank and other loans . . . . .	3,056,556	—	3,056,556
Other non-current liabilities . . . . .	313,813	—	313,813
	<u>5,867,874</u>	<u>8,343</u>	<u>5,876,217</u>

**46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade and notes receivables, financial assets included in prepayments, other receivables and other assets, trade and notes payables, financial liabilities included in other payables and accruals, and other non-current liabilities due within one year approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of financial liabilities including short-term bank and other loans, long-term bank and other loans, and financial liabilities included in other non-current liabilities were determined by discounting the expected future cash flows using market rates of return currently available for other

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financial instruments with similar terms, credit risk and remaining maturities or incremental borrowing rate. The Group’s own non-performance risk for short-term and long-term loans was assessed to be insignificant. The futures contracts are determined based on the settlement price of the futures contracts held in the Shanghai Futures Exchange or Dalian Commodity Exchange on the balance sheet date and quoted market prices.

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation (“EV/EBITDA”) multiple and price to earnings (“P/E”) multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The fair values of financial assets at fair value through profit or loss have been estimated using the expected transaction price.

The Group’s finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

**Fair value hierarchy**

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

**Assets measured at fair value:**

**As at 31 December 2023**

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Equity investment included in financial assets at fair value through other comprehensive income. . . . .	—	—	181,744	181,744
Total . . . . .	—	—	181,744	181,744

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**As at 31 December 2024**

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity investment included in financial assets at fair value through profit or loss . . . . .	—	—	167,607	167,607
Equity investment included in financial assets at fair value through other comprehensive income. . . . .	—	—	201,228	201,228
<b>Total . . . . .</b>	<b>—</b>	<b>—</b>	<b>368,835</b>	<b>368,835</b>

**As at 31 December 2025**

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity investment included in financial assets at fair value through profit or loss . . . . .	—	—	167,607	167,607
Equity investment included in financial assets at fair value through other comprehensive income. . . . .	—	—	197,657	197,657
<b>Total . . . . .</b>	<b>—</b>	<b>—</b>	<b>365,264</b>	<b>365,264</b>

**Liabilities measured at fair value:**

**As at 31 December 2023**

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Futures contract included in financial liabilities at fair value through profit or loss . . . . .	1,620	—	—	1,620

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**As at 31 December 2025**

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Futures contract included in financial liabilities at fair value through profit or loss . . . . .	8,343	—	—	8,343

During the Relevant Periods, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 for both financial assets and financial liabilities. The Group’s policy is to recognise transfers between levels of the fair value hierarchy as at the end of each of the Relevant Periods in which they occur.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods:

**As at 31 December 2023**

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Financial assets at fair value through other comprehensive income.	Market approach	Price-to-book ratio	0.73	1% increase/decrease in ratio would result in decrease/increase in fair value by RMB1,817,000

**As at 31 December 2024**

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Financial assets at fair value through other comprehensive income.	Market approach	Price-to-book ratio	0.80	1% increase/decrease in ratio would result in decrease/increase in fair value by RMB2,012,300

**As at 31 December 2025**

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Financial assets at fair value through other comprehensive income.	Market approach	Price-to-book ratio	0.76	1% increase/decrease in ratio would result in decrease/increase in fair value by RMB1,976,500

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Liabilities for which fair values are disclosed:

**As at 31 December 2023**

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Long-term bank and other loans . . . . .	—	1,405,668	—	1,405,668
Total . . . . .	—	1,405,668	—	1,405,668

**As at 31 December 2024**

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Long-term bank and other loans . . . . .	—	1,629,925	—	1,629,925
Total . . . . .	—	1,629,925	—	1,629,925

**As at 31 December 2025**

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Long-term bank and other loans . . . . .	—	3,378,912	—	3,378,912
Other non-current liabilities. . . . .	—	323,697	—	323,697
Total . . . . .	—	3,702,609	—	3,702,609

**47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group is exposed to various risks in relation to financial instruments in its daily operations, mainly interest rate risk, credit risk and liquidity risk. The Group’s major financial instruments include cash and cash equivalents, financial assets at fair value through profit or loss, derivative financial assets, trade receivables, other non-current assets, short-term and long-term bank and other loans, financial liabilities at fair value through profit or loss, trade and notes payables, other payables and accruals, etc.. The Group also occasionally conducted derivative trading of commodity futures contracts and conducted futures trading of zinc, silver, tin and iron ore for hedging purposes, mainly to effectively avoid the impact of commodity price fluctuations in the market.

**Interest rate risk**

The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s long-term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in RMB interest rates, with all other variables held constant, of the Group’s profit after tax (through the impact on floating rate borrowings) and the Group’s equity.

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	<u>Increase/(decrease) in basis points</u>	<u>Increase/(decrease) in profit after tax</u>
	<i>RMB'000</i>	<i>RMB'000</i>
2023		
Loans denominated in RMB .....	25	(589)
Loans denominated in RMB .....	(50)	1,179
2024		
Loans denominated in RMB .....	25	(801)
Loans denominated in RMB .....	(50)	1,602
2025		
Loans denominated in RMB .....	25	(702)
Loans denominated in RMB .....	(50)	1,405

**Credit risk**

The Group only deals with approved and reputable third parties. According to the Group’s policy, all customers who require credit transactions are subject to credit review. In addition, the Group continuously monitors the balance of trade receivables to ensure that the Group is not exposed to significant bad debt risks.

Since counterparties of cash and bank balances are banks with good reputation and high credit ratings, credit risk arising from these financial instruments is insignificant.

Other financial assets of the Group include receivables. The credit risk on these financial assets arises from the default of counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

The Group only deals with approved and reputable third parties, and hence there is no requirement for collateral or other credit enhancements. Credit risk is managed centrally based on customers/counterparties, geographic regions and industries. As at 31 December 2023, 2024 and 2025, the Group had a specific concentration of credit risk. 57.89%, 63.10% and 74.59% of the Group’s trade receivables from commodities sales were from the largest customers in terms of trade receivable balances. 92.75%, 97.67% and 98.90% of the Group’s trade receivables from silver and tin sales were from the largest five customers (including entities under common control by these customers) in terms of trade receivable balances.

***Determination of significant increase in credit risk***

At the end of each reporting period, the Group assesses whether the credit risk on the relevant financial instruments has increased significantly since initial recognition. When determining whether the credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including qualitative and quantitative analysis based on historical data of the Group, external credit risk ratings and forward-looking information. The Group, based on individual financial instruments or financial instrument groupings with similar credit risk characteristics, determines changes in the risk of default in the estimated lifetime of financial instruments by comparing the risk of default of financial instruments at the end of the Relevant Periods with that at the initial recognition.

The tables below show the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

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**As at 31 December 2023**

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Trade and notes receivables . . . . .	—	—	—	262,437	262,437
Financial assets included in prepayments, other receivables and other assets . . . . .	58,837	—	105,491	—	164,328
Restricted cash — Not yet past due . .	24,736	—	—	—	24,736
Cash and cash equivalents — Not yet past due . .	314,752	—	—	—	314,752
<b>Total . . . . .</b>	<b>398,325</b>	<b>—</b>	<b>105,491</b>	<b>262,437</b>	<b>766,253</b>

**As at 31 December 2024**

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Trade and notes receivables . . . . .	—	—	—	4,691	4,691
Financial assets included in prepayments, other receivables and other assets . . . . .	32,490	—	60,385	—	92,875
Restricted cash — Not yet past due . .	35,748	—	—	—	35,748
Cash and cash equivalents — Not yet past due . .	1,103,032	—	—	—	1,103,032
<b>Total . . . . .</b>	<b>1,171,270</b>	<b>—</b>	<b>60,385</b>	<b>4,691</b>	<b>1,236,346</b>

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**As at 31 December 2025**

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB’000	RMB’000	RMB’000	RMB’000	
Trade and notes receivables . . . . .	—	—	—	98,513	98,513
Financial assets included in prepayments, other receivables and other assets . . . . .	16,620	—	60,498	—	77,118
Restricted cash — Not yet past due . .	34,271	—	—	—	34,271
Cash and cash equivalents — Not yet past due . .	1,259,202	—	—	—	1,259,202
<b>Total . . . . .</b>	<b>1,310,093</b>	<b>—</b>	<b>60,498</b>	<b>98,513</b>	<b>1,469,104</b>

The credit quality of the financial assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

***Definition of credit-impaired financial assets***

In order to determine whether credit impairment occurs, the defined criteria adopted by the Group are consistent with the internal credit risk management objectives for relevant financial instruments, both of which incorporate quantitative and qualitative indicators. When assessing whether a debtor has suffered a credit impairment, the Group usually considers the following factors:

- (1) significant financial difficulty of the issuer or the debtor;
- (2) breach of contract by the debtor, such as default or overdue payment in interest or principal repayment;
- (3) a concession granted by the creditor to the debtor due to economic or contractual considerations related to the debtor’s financial difficulty, which will not be granted under any other circumstances;
- (4) possible bankruptcy or other financial reorganisation of the debtor;
- (5) disappearance of an active market for the financial asset due to financial difficulty of the issuer or the debtor; and
- (6) financial assets purchased or sourced at large discounts indicating credit losses have occurred.

Financial assets may be credit-impaired due to the joint effects of multiple events rather than separately identifiable events.

**Liquidity risk**

As at 31 December 2025, the net current liabilities of the Group amounted to RMB2,090 million. Management monitors regularly the Group’s current and expected liquidity requirements to ensure it maintains sufficient cash and cash equivalents and has available funding through adequate amount of facilities to meet its working capital requirements.

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The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers both the maturity of its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of loans and bank borrowings.

The maturity profile of the Group’s financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	<b>As at 31 December 2023</b>				
	<b>Within 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and notes payables . . . . .	903,153	—	—	—	903,153
Financial liabilities included in other payables and accruals . . . . .	815,164	—	—	—	815,164
Short-term bank and other loans . . . . .	393,773	—	—	—	393,773
Long-term bank and other loans . . . . .	245,610	770,015	494,817	—	1,510,442
Lease liabilities . . . . .	27,119	17	85	—	27,221
	<u>2,384,819</u>	<u>770,032</u>	<u>494,902</u>	<u>—</u>	<u>3,649,753</u>

	<b>As at 31 December 2024</b>				
	<b>Within 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and notes payables . . . . .	947,718	—	—	—	947,718
Financial liabilities included in other payables and accruals . . . . .	734,910	—	—	—	734,910
Short-term bank and other loans . . . . .	314,870	—	—	—	314,870
Long-term bank and other loans . . . . .	866,088	627,154	208,330	—	1,701,572
Lease liabilities . . . . .	14,513	14,513	69	—	29,095
	<u>2,878,099</u>	<u>641,667</u>	<u>208,399</u>	<u>—</u>	<u>3,728,165</u>

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	As at 31 December 2025				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade and notes payables . . . . .	1,046,153	—	—	—	1,046,153
Financial liabilities included in other payables and accruals .	927,987	—	—	—	927,987
Short-term bank and other loans . . . . .	679,284	—	—	—	679,284
Long-term bank and other loans . . . . .	1,007,817	618,954	1,277,650	571,997	3,476,418
Lease liabilities . . . . .	16,713	2,368	7,500	46,900	73,481
Other non-current liabilities . . . . .	38,890	38,890	116,671	194,452	388,903
	<u>3,716,844</u>	<u>660,212</u>	<u>1,401,821</u>	<u>813,349</u>	<u>6,592,226</u>

**Capital management**

The primary objective of the Group’s capital management is to ensure that it maintains strong credit rating and healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group regards total equity as its capital and manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes for managing capital during the Relevant Periods.

During the Relevant Periods, the Group’s strategy was to maintain the gearing ratio at a healthy level in order to monitor capital. The principal strategies adopted by the Group include, but are not limited to, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. Gearing ratio is total liabilities divided by total assets.

The gearing ratios at the end of each of the Relevant Periods were as follows:

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Total assets . . . . .	11,117,989	12,197,840	17,180,351
Total liabilities . . . . .	4,497,561	4,183,073	6,991,066
Gearing ratio . . . . .	<u>40%</u>	<u>34%</u>	<u>41%</u>

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**48. ASSET ACQUISITIONS**

**(a) Acquisition of Bosheng Mining**

On 19 May 2023, the Company acquired a 70% equity interest in Bosheng Mining at a total cash consideration of RMB280 million. The directors are of the opinion that the identifiable assets of Bosheng Mining are mainly the mining rights which were yet to be massively developed, and do not constitute a business, thus, the acquisition is treated as an asset acquisition for accounting purpose.

The purchase price allocation of the identifiable assets and liabilities of Bosheng Mining as at the date of acquisition were as follows:

	<i>Notes</i>	<i>RMB'000</i>
Property, plant and equipment . . . . .	<i>17</i>	196,390
Right-of-use assets . . . . .	<i>18</i>	5,251
Intangible assets . . . . .	<i>19</i>	1,204,094
Deferred tax assets . . . . .	<i>23</i>	15,182
Inventories . . . . .		30,078
Prepayments, deposits and other receivables . . . . .		439
Restricted cash . . . . .		76
Cash and cash equivalents . . . . .		422
Trade and notes payables . . . . .		(51,758)
Contract liabilities . . . . .		(2,774)
Other payables and accrual . . . . .		(988,581)
Provisions . . . . .	<i>36</i>	(4,267)
Other non-current liabilities . . . . .		(4,552)
Total identifiable net assets at fair value . . . . .		400,000
Non-controlling interests . . . . .		(120,000)
Net assets acquired . . . . .		<u>280,000</u>
Satisfied by cash . . . . .		<u><u>280,000</u></u>

An analysis of the cash flows in respect of the asset acquisition is as follows:

	<b>Year ended</b>
	<b>31 December 2023</b>
	<i>RMB'000</i>
Cash consideration . . . . .	(280,000)
Cash and bank balances acquired . . . . .	422
Total net cash outflow . . . . .	<u><u>(279,578)</u></u>

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**(b) Acquisition of Yubang Mining**

On 14 January 2025, the Company acquired an 85% equity interest in Yubang Mining at a total cash consideration of RMB2,388 million, comprising: (i) a 65% equity interest held by Guocheng Mining Co., Ltd.\* (“**Guocheng Mining**”) at RMB1,600 million, and (ii) a 20% equity interest held by two individuals at RMB788 million.

The Directors are of the opinion that the identifiable assets of Yubang Mining are mainly the mining rights which were yet to be massively developed, and do not constitute a business, thus, the acquisition is treated as an asset acquisition for accounting purpose.

The purchase price allocation of the identifiable assets and liabilities of Yubang Mining as at the date of acquisition were as follows:

	<i>Notes</i>	<i>RMB’000</i>
Property, plant and equipment . . . . .	17	538,614
Right-of-use assets . . . . .	18	79,716
Intangible assets . . . . .	19	3,660,899
Deferred tax assets . . . . .	23	67,897
Other non-current assets . . . . .		38,961
Inventories . . . . .		24,948
Trade and notes receivables . . . . .		5
Prepayments, deposits and other receivables . . . . .		2,279
Restricted cash . . . . .		238
Cash and cash equivalents . . . . .		22,282
Trade and notes payables . . . . .		(227,353)
Contract liabilities . . . . .		(60,406)
Other payables and accruals . . . . .		(943,455)
Current portion of lease liabilities . . . . .		(2,100)
Current portion of other non-current liabilities . . . . .		(24,894)
Provisions . . . . .	36	(30,175)
Lease liabilities . . . . .		(23,739)
Other non-current liabilities . . . . .		(314,305)
Total identifiable net assets at fair value . . . . .		2,809,412
Non-controlling interests . . . . .		(421,412)
Net assets acquired . . . . .		2,388,000
Satisfied by cash . . . . .		2,388,000

An analysis of the cash flows in respect of the asset acquisition is as follows:

	<b>Year ended</b>
	<b>31 December 2025</b>
	<i>RMB’000</i>
Cash consideration . . . . .	(2,388,000)
Paid in 2024 . . . . .	300,000
Other payables and accruals as at 31 December 2025 . . . . .	30,000
Cash and bank balances acquired . . . . .	22,282
Total net cash outflow . . . . .	(2,035,718)

\* Li Wubo (independent director of the Company) was the director of Guocheng Mining who resigned on 17 December 2024.

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**(c) Acquisition of Atlantic Tin Limited**

In August and September 2025, the Company acquired an aggregate 100% equity interest in Atlantic Tin Limited at a cash consideration of AUD98 million. As of 31 December 2025, the Company has paid all consideration. The directors are of the opinion that the identifiable assets of Atlantic Tin Limited are mainly the mining rights which were yet to be developed, and do not constitute a business, thus, the acquisition is treated as an asset acquisition for accounting purpose.

The purchase price allocation of the identifiable assets and liabilities of Atlantic Tin Limited as at the date of acquisition were as follows:

	<i>Notes</i>	<i>RMB’000</i>
Property, plant and equipment . . . . .	<i>17</i>	133
Intangible assets . . . . .	<i>19</i>	688,372
Other non-current assets . . . . .		390
Cash and cash equivalents . . . . .		5,954
Trade receivables . . . . .		54
Prepayments, deposits and other receivables . . . . .		1,465
Trade and notes payables . . . . .		(6,783)
Other payables and accruals . . . . .		(72,068)
Income tax payable . . . . .		(72)
Total identifiable net assets at fair value . . . . .		<u>617,445</u>
Non-controlling interests . . . . .		<u>(165,554)</u>
Net assets acquired . . . . .		<u>451,891</u>
Satisfied by cash . . . . .		<u>451,891</u>

An analysis of the cash flows in respect of the asset acquisition is as follows:

	<b>Year ended 31 December 2025</b>
	<i>RMB’000</i>
Cash consideration . . . . .	(452,707)
Cash and bank balances acquired . . . . .	5,954
Total net cash outflow . . . . .	<u>(446,753)</u>

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**49. NOTES TO THE STATEMENTS OF FINANCIAL POSITION OF THE COMPANY**

A summary of the Company’s reserves is as follows:

	<u>Other reserves</u>	<u>Retained profits</u>	<u>Total</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At 1 January 2023 . . . . .	2,515,520	297,078	2,812,598
Profit for the year . . . . .	—	198,555	198,555
Other comprehensive loss for the year:			
Fair value changes on equity investments designated at fair value through other comprehensive income . . . . .	(14,937)	—	(14,937)
Total comprehensive (loss)/income for the year . . . . .	(14,937)	198,555	183,618
2022 dividend paid . . . . .	—	(31,232)	(31,232)
Transfer of statutory surplus reserve from retained profits . . . . .	19,856	(19,856)	—
Others . . . . .	769	—	769
At 31 December 2023 and 1 January 2024 . . . . .	2,521,208	444,545	2,965,753
Profit for the year . . . . .	—	1,455,239	1,455,239
Other comprehensive income for the year:			
Fair value changes on equity investments designated at fair value through other comprehensive income . . . . .	14,613	—	14,613
Total comprehensive income for the year . . . . .	14,613	1,455,239	1,469,852
2023 dividend paid . . . . .	—	(119,417)	(119,417)
Transfer of statutory surplus reserve from retained profits . . . . .	145,524	(145,524)	—
Buy back and cancellation of shares . . . . .	61,498	—	61,498
Others . . . . .	(769)	—	(769)
At 31 December 2024 and 1 January 2025 . . . . .	2,742,074	1,634,843	4,376,917
Profit for the year . . . . .	—	2,295,126	2,295,126
Other comprehensive loss for the year:			
Fair value changes on equity investments designated at fair value through other comprehensive income . . . . .	(2,679)	—	(2,679)
Total comprehensive (loss)/income for the year . . . . .	(2,679)	2,295,126	2,292,447
2024 dividend paid . . . . .	—	(124,295)	(124,295)
Transfer of statutory surplus reserve from retained profits . . . . .	229,512	(229,512)	—
At 31 December 2025 . . . . .	<u>2,968,907</u>	<u>3,576,162</u>	<u>6,545,069</u>

**50. EVENTS AFTER THE RELEVANT PERIODS**

**a. Profit distribution**

On 20 April 2026, the Company convened the 30th meeting of the 10th Board of Directors, at which it approved the 2025 Annual Profit Distribution Proposal. Based on the Company’s total share capital of 1,775,635,739 shares as at 31 December 2025, it is proposed that the Company distributes cash dividend of RMB1.10 (inclusive of tax) per every 10 shares, out of the Company’s retained profits.

The aggregate cash dividend payout will amount to RMB195,319,931. The remaining retained profits of RMB3,380,839,000 shall be carried forward to the subsequent fiscal year.

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This profit distribution proposal is subject to the approval of the Company’s 2025 Annual General Meeting.

### b. Progress of equity acquisitions

Proposed acquisition of Willing New Energy Co., Ltd.

On 28 November 2025, the 24th meeting of the 10th Board of Directors of the Company approved the Proposal regarding Investment by the Company’s Wholly-owned Subsidiary. The Board resolved to authorise Shannan Antimony-Gold, a wholly-owned subsidiary of the Company, to acquire the equity stakes in Willing New Energy Co., Ltd. (“**Willing New Energy**”) held by two independent third parties, with the consideration to be funded by the subsidiary’s internal resources and self-raised funds.

Upon completion of the contemplated acquisition, Shannan Antimony-Gold will hold a total of 20,233,784 shares, accounting for 7.7646% of Willing New Energy’s total share capital. The transaction is priced at RMB15.21 per share, representing an aggregate transaction consideration was RMB308 million. Following the completion of the transaction, Shannan Antimony-Gold will become the largest shareholder of Willing New Energy.

As at the date hereof, all closing conditions under the aforesaid share transfer agreement have not been satisfied and completion has not yet taken place.

Proposed acquisition of Xizang Sunshine Mining Investment Co., Ltd.

On 6 May 2026, Xizang Xinda Mining Co., Ltd. (“**Xinda Mining**”), a wholly-owned subsidiary of the Company established, entered into a share transfer agreement with independent third parties. Pursuant to the agreements, Xinda Mining agreed to acquire 100% of the equity interest in Xizang Sunshine Mining Investment Co., Ltd. held by the independent third parties at a consideration of RMB164 million.

As at the date hereof, completion for the acquisition of Xizang Sunshine Mining Investment Co., Ltd. has not yet taken place.

### c. Issuance of offshore senior unsecured sustainability bonds

All conditions precedent under the Subscription Agreement in respect of the USD200 million offshore senior unsecured sustainability bonds (the “**Bonds**”) issued by Xingye Gold (Hong Kong), a wholly-owned subsidiary of the Company, and unconditionally and irrevocably guaranteed by the Company, have been duly satisfied. The Bonds were successfully issued on 13 February 2026 and listed on The Stock Exchange of Hong Kong Limited.

### d. Disposal of a subsidiary

On 2 March 2026, the 28th meeting of the Company’s 10th Board of Directors adopted the Proposal on the Disposal of 60% Equity Interest in Shuangyuan. In accordance with the aforesaid resolution, the Company has disposed of its entire 60% equity interest held in Shuangyuan by way of transferring 30% equity interest respectively to two third parties with a consideration of RMB103,826,340 for each transfer tranche, bringing the total transaction value to RMB207,652,680.

As of 13 March 2026, the Company has received the full equity transfer consideration and completed the industrial and commercial registration formalities and held the remaining 40% equity interest of Shuangyuan. Accordingly, Shuangyuan is no longer a subsidiary of the Company and accounted for as an associate in the Group’s consolidated financial statements subsequently.

## 51. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period.