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Mount Everest Gold Group Company Limited
珠峰黃金集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1815)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS OF 2025 ANNUAL RESULTS

The Group's revenue from its continuing operation for 2025 was approximately RMB487.0 million (2024: RMB157.6 million), representing a significant increase of approximately 209.0% as compared to that of 2024. The increase was mainly due to the significant increase in sales of gold and silver products.

Profit attributable to owners of the Company for 2025 was approximately RMB102.8 million (2024: loss attributable to owners of the Company RMB23.2 million). Such turnaround from net loss to net profit is mainly attributable to the following factors:

- (i) The Group's revenue from sales of gold and silver products increased significantly in 2025. As most of the gold products sold by the Group in 2025 were inventories procured at relatively low procurement costs, and gold prices rose significantly in 2025, the gross profit margin improved substantially, resulting in a significant increase in the net profit for 2025 as compared with 2024; and
- (ii) The Company completed the disposal of the Group's Fresh Food Retail segment and the relevant disposal recorded a gain of approximately RMB41.2 million.

The aforementioned factors were partially offset by the following factor:

- (iii) The Group recorded share-based payment expenses of approximately RMB56.5 million in 2025 due to the grant of share options to its employees.

The board of directors (individually, a “**Director**”, or collectively, the “**Board**” or the “**Directors**”) of Mount Everest Gold Group Company Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**” or “**we**”) for the year ended 31 December 2025 (or the “**current year**”, “**this year**” or “**during the year**”), together with the audited comparative figures for the year ended 31 December 2024 (or the “**last year**” or “**prior year**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Continuing operation			
Revenue	4	486,969	157,570
Cost of sales		<u>(276,286)</u>	<u>(109,162)</u>
Gross profit		210,683	48,408
Other income, net		978	2,805
Other gains and (losses), net	5	251	(89)
Selling and distribution expenses		(22,685)	(15,482)
Administrative expenses		(86,675)	(23,580)
Reversal of (provision for) impairment loss under expected credit loss model, net	11	152	(2,301)
Share of losses of associates		(184)	–
Finance costs		<u>(4,534)</u>	<u>(5,412)</u>
Profit before income tax		97,986	4,349
Income tax expense	6	<u>(38,381)</u>	<u>(1,243)</u>
Profit for the year from continuing operation	7	59,605	3,106
Discontinued operation			
Loss for the year from discontinued operation	12	–	(44,609)
Gain on disposal of subsidiaries	12	<u>41,246</u>	<u>–</u>
Profit (loss) and total comprehensive income (expense) for the year		<u>100,851</u>	<u>(41,503)</u>

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		102,763	(23,187)
Non-controlling interests		<u>(1,912)</u>	<u>(18,316)</u>
		<u>100,851</u>	<u>(41,503)</u>
Profit (loss) for the year attributable to Owners of the Company arises from:			
Continuing operation		61,517	3,704
Discontinued operation		<u>41,246</u>	<u>(26,891)</u>
		<u>102,763</u>	<u>(23,187)</u>
		<i>RMB</i>	<i>RMB</i>
Earnings (loss) per share for profit (loss) attributable to owners of the Company			
	<i>9</i>		
Basic		0.083	(0.019)
Diluted		<u>0.082</u>	<u>(0.019)</u>
Earnings per share for profit from continuing operation attributable to owners of the Company			
	<i>9</i>		
Basic		0.050	0.003
Diluted		<u>0.049</u>	<u>0.003</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		88,809	7,424
Goodwill		–	–
Right-of-use assets		2,911	3,314
Intangible assets		46,352	5,469
Investments in associates		3,316	–
Deferred tax assets		3,561	4,376
		144,949	20,583
Current assets			
Inventories		973,909	973,502
Trade and other receivables	10	129,815	93,158
Amount due from immediate holding company		–	17,286
Amounts due from related companies		18,494	–
Amounts due from fellow subsidiaries		–	15,038
Amount due from an associate		3,375	–
Income tax recoverable		–	736
Bank balances and cash		608,155	429,290
		1,733,748	1,529,010
Assets of a disposal group classified as held for sale	12	–	29,890
		1,733,748	1,558,900
Current liabilities			
Trade and other payables	13	201,393	72,639
Lease liabilities – current portion		197	336
Contract liabilities		3,932	5,577
Amount due to a fellow subsidiary		–	2,346
Amounts due to related companies		8,495	8,495
Amount due to a non-controlling interest		10,264	6,396
Income tax payable		26,233	8,501
Bank borrowings – current portion	14	116,630	89,000
		367,144	193,290
Liabilities directly associated with assets classified as held for sale	12	–	97,732
		367,144	291,022
NET CURRENT ASSETS		1,366,604	1,267,878
TOTAL ASSETS LESS CURRENT LIABILITIES		1,511,553	1,288,461

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Capital and reserves		
Share capital	857	842
Share premium and reserves	<u>1,510,756</u>	<u>1,312,459</u>
Equity attributable to the owners of the Company	1,511,613	1,313,301
Non-controlling interests	<u>(60)</u>	<u>(25,044)</u>
TOTAL EQUITY	<u>1,511,553</u>	<u>1,288,257</u>
Non-current liability		
Lease liabilities – non-current portion	<u>–</u>	<u>204</u>
	<u>–</u>	<u>204</u>
TOTAL EQUITY AND NON-CURRENT LIABILITY	<u><u>1,511,553</u></u>	<u><u>1,288,461</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 GENERAL INFORMATION

Mount Everest Gold Group Company Limited (formerly known as CSmall Group Limited the “**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 19 January 2017. The address of the registered office is Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands and principal place of business in Hong Kong of the Company is Unit 5, 17/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 13 March 2018.

The Company is an investment holding company. The Group operates the business of design and sale of gold, silver, colored gemstones, gem-set and other jewellery products in the People’s Republic of China (the “**PRC**”).

As at 31 December 2024, the Company was a subsidiary of China Silver Group Limited (“**China Silver**”), an exempted company incorporated in Cayman Islands with its shares also listed on the Stock Exchange. On 31 December 2025, the Company completed an allotment of 21,700,000 new shares at a subscription price of HK\$1.61 to two independent subscribers, resulting in a dilution of shareholding held by China Silver, and the Company became an associate of China Silver since then.

Pursuant to a special resolution passed by the shareholders at the extraordinary general meeting of the Company held on 27 March 2025, the English name of the Company was changed from “CSmall Group Limited” to “Mount Everest Gold Group Company Limited” and the dual foreign name in Chinese of the Company was changed from “金貓銀貓集團有限公司” to “珠峰黃金集團有限公司”. The change of name was made effective from 29 April 2025.

On 17 June 2025, Jiangxi Jiyin Company Limited* (江西吉銀實業有限公司) (the “**Purchaser**”), an indirect wholly-owned subsidiary of the Group, entered into an equity transfer agreement with Jiangxi Yincai Trading Co., Ltd.* (江西銀彩貿易有限公司) (the “**Vendor**”), an independent third party, to acquire 35% equity interest in Jiangxi Yiding Trading Co., Ltd.* (江西藝鼎貿易有限公司) (the “**Target Company**”) for a consideration of RMB3,500,000. The Target Company, incorporated in the PRC, holds 100% equity interest in Xizang Shigatse Huaye Mining Development Co., Ltd.* (西藏日喀則市華冶礦業開發有限責任公司), which is engaged in lead and zinc mine exploration. The transaction was completed on 18 July 2025, and the Group’s interest in the Target Company has been accounted for as an associate under the equity method.

On 5 November 2024, Shenzhen Guojintongbao Company Limited* (深圳國金通寶有限公司) (“**Shenzhen Guojintongbao**” which is a wholly-owned subsidiary of the Group) entered into an equity transfer agreement with an independent third party, Shanghai Xinding Metallic Materials Co., Ltd* (上海鑫鼎金屬材料有限公司) (“**Shanghai Xinding**”) to dispose of the Group’s 51% equity interest in Shenzhen Xiansheng Zhanggui Technology Co., Ltd.* (深圳鮮生掌櫃科技有限公司) (together with its subsidiaries, the “**Nongmuren Group**” or the “**Disposal Group**”) to Shanghai Xinding at a consideration of RMB300,000. The transaction was completed on 13 January 2025.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

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

* *The English name is for identification only*

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements has been prepared under the historical cost convention except for assets classified as held for sale that are measured at the lower of their previous carrying amount and fair value less costs to sell at the end of each reporting period.

2.1(a) New standards and amendments to IFRS Accounting Standards that are mandatorily effective for the current year

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2025:

Amendments to IAS 21	Lack of Exchangeability
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The new standards and amendments to standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.1(b) New standards and amendments to IFRS Accounting Standards in issue but not yet effective

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective for annual periods beginning on or after a date to be determined.

In July 2024, IASB issued IFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss and other comprehensive income, which will affect how the Group present and disclose financial performance in the consolidated financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The directors of the Company are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Certain new standards and amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. These new standards and amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3 SEGMENT INFORMATION

The Group has one operating and reportable segment (2024: one segment). Management determines the operating segment based on the information reported to the Group's CODMs (i.e. the executive directors of the Company). The CODMs assess the operating performance and allocate the resources of the Group as a whole as the Group is primarily engaged in the business of designing and sales of gold, silver, colored gemstones and gem-set and other jewellery products in the PRC ("New Jewellery Retail segment"). Accordingly, there is only one operating and reportable segment.

The operation of Fresh Food Retail segment of the Group was discontinued and disposed during the year ended 31 December 2025. The segment information reported on the next pages does not include any amounts for the discontinued operation, which are described in more details in note 12.

(i) Geographical information

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

	Revenue from		Non-current assets	
	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Continuing operation				
The mainland of the PRC	486,969	157,570	141,198	15,672
Hong Kong	—	—	190	535
	486,969	157,570	141,388	16,207

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

(ii) Information about major customer

During the years ended 31 December 2025 and 2024, there is no single customer contributed 10% or more of the Group's revenue.

4 REVENUE

i) Disaggregation of revenue from contracts with customers

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Continuing operation		
By products		
– Sales of gold products	247,370	15,629
– Sales of silver products	236,008	137,643
– Sales of gem-set and other jewellery products	1,842	724
– Sales of colored gemstones	1,749	3,574
	<u>486,969</u>	<u>157,570</u>
By sales channels		
Online sales channels (<i>Note i</i>)	<u>173,895</u>	<u>105,774</u>
Offline retail and service network		
– Shenzhen Exhibition Hall (<i>Note ii</i>)	312,385	51,283
– CSmall Shops (<i>Note iii</i>)	689	513
	<u>313,074</u>	<u>51,796</u>
Total	<u><u>486,969</u></u>	<u><u>157,570</u></u>

Notes:

- (i) Through various third-party online sales channels, including television and video shopping channels, e-commerce platform and instant messenger, sales orders are received from customers online and delivery is initiated and arranged by the channels.
- (ii) It represents jewellery products exhibition hall self-operated by the Group located in Shuibe, Shenzhen.
- (iii) It represents physical franchised CSmall Shops.

All of the revenue are recognised at a point in time during the years ended 31 December 2025 and 2024.

5 OTHER GAINS AND (LOSSES), NET

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Continuing operation		
Net exchange gain (loss)	<u><u>251</u></u>	<u><u>(89)</u></u>

6 INCOME TAX EXPENSE

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Continuing operation		
The PRC Enterprise Income Tax (“EIT”)		
– Current year	38,579	4,499
– Overprovision in respect of prior years	<u>(1,013)</u>	<u>(2,606)</u>
	37,566	1,893
Deferred taxation – current year	<u>815</u>	<u>(650)</u>
	<u><u>38,381</u></u>	<u><u>1,243</u></u>

The Group had no assessable profits subject to tax in any jurisdictions other than the PRC for both years.

Under the Law of the PRC on EIT (the “EIT Law”) and its related implementation regulations, the Group’s PRC subsidiaries are subject to the PRC EIT at the statutory rate of 25% from 1 January 2008 onward.

7 PROFIT FOR THE YEAR

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Continuing operation		
Directors' emoluments	1,926	1,594
Other staff costs:		
– Salaries and other allowances	12,333	11,419
– Retirement benefit scheme contributions	1,321	1,287
Total staff costs	<u>15,580</u>	<u>14,300</u>
Auditor's remuneration	1,052	1,062
Cost of inventories recognised as expenses (included in cost of sales)	276,286	109,162
Depreciation of property, plant and equipment	3,583	3,495
Depreciation of right-of-use assets	403	1,698
Share-based payment expenses	56,461	–
Write-off of property, plant and equipment	2,718	–
Expenses relating to short-term leases	<u>1,945</u>	<u>2,304</u>

8 DIVIDENDS

No dividends were paid, declared or proposed for ordinary shareholders of the Company for both years, nor has any dividend been proposed since the end of the reporting period.

9 EARNINGS (LOSS) PER SHARE

a) Basic earnings (loss) per share

The calculations of the basic earnings (loss) per share attributable to owners of the Company are based on the following data:

	2025	2024
Profit (loss) (RMB'000)		
Profit for the year attributable to owners of the Company from continuing operation for the purpose of basic earnings per share	61,517	3,704
Profit (loss) for the year attributable to owners of the Company from discontinued operation for the purpose of basic earnings (loss) per share	<u>41,246</u>	<u>(26,891)</u>
Profit (loss) for the year attributable to owners of the Company for the purpose of basic earnings (loss) per share	<u><u>102,763</u></u>	<u><u>(23,187)</u></u>
Number of shares (in thousand)		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	<u><u>1,237,934</u></u>	<u><u>1,237,875</u></u>
Basic earnings (loss) per share (RMB)		
From continuing operation attributable to the owners of the Company	0.050	0.003
From discontinued operation	<u>0.033</u>	<u>(0.022)</u>
Total basic earnings (loss) per share for profit (loss) attributable to the owners of the Company	<u><u>0.083</u></u>	<u><u>(0.019)</u></u>

b) Diluted earnings (loss) per share

The calculations of the diluted earnings (loss) per share attributable to owners of the Company are based on the following data:

	2025	2024
Profit (loss) (RMB'000)		
Profit for the year attributable to owners of the Company from continuing operation for the purpose of diluted earnings per share	61,517	3,704
Profit (loss) for the year attributable to owners of the Company from discontinued operation for the purpose of diluted earnings (loss) per share	<u>41,246</u>	<u>(26,891)</u>
Profit (loss) for the year attributable to owners of the Company for the purpose of basic earnings (loss) per share	<u><u>102,763</u></u>	<u><u>(23,187)</u></u>
Number of shares (in thousand)		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	1,237,934	1,237,875
– Adjustment for share options	<u>15,493</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	<u><u>1,253,427</u></u>	<u><u>1,237,875</u></u>
Diluted earnings (loss) per share (RMB)		
From continuing operation attributable to the owners of the Company	0.049	0.003
From discontinued operation	<u>0.033</u>	<u>(0.022)</u>
Total diluted earnings (loss) per share attributable to the owners of the Company	<u><u>0.082</u></u>	<u><u>(0.019)</u></u>

For the year ended 31 December 2025, the share options granted to the employees by the Company have potential dilutive effect on the earnings per share determined under treasury stock method.

For the year ended 31 December 2024, there were no potential dilutive instrument.

10 TRADE AND OTHER RECEIVABLES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables for contracts with customers	83,398	73,529
Less: allowance for expected credit losses in respect of trade receivables	(18,238)	(18,390)
	65,160	55,139
Other receivables and deposits	30,764	24,528
Prepayments to suppliers	1,466	6,126
Value-added tax (“VAT”) recoverable	32,326	6,572
Refundable rental deposits	99	793
	129,815	93,158

The Group does not grant any credit period to its retail customers and generally grants its corporate customers a credit period ranging from 1 to 90 days and requires advance deposits for 30% to 100% of the contract value from its customers before delivery of goods.

The ageing analysis of the Group’s trade receivables net of allowance for expected credit losses presented based on the invoice dates at the end of the reporting period is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 30 days	62,576	45,660
31 to 60 days	28	744
61 to 90 days	11	305
Over 90 days	2,545	8,430
	65,160	55,139

As at 31 December 2025, included in the Group’s trade receivables, net of allowance of credit losses were debtors with aggregate carrying amount of RMB4,941,000 (2024: RMB9,582,000) which were past due as at the reporting date. Out of the past due balances, RMB2,363,000 (2024: RMB8,330,000) has been past due 90 days or more and is not considered as in default as the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer. The Group does not hold any collateral over these balances.

11 REVERSAL OF (PROVISION FOR) IMPAIRMENT LOSS UNDER EXPECTED CREDIT LOSS MODEL, NET

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Continuing operation		
Reversal of (provision for) impairment loss recognised in respect of trade receivables, net	<u><u>152</u></u>	<u><u>(2,301)</u></u>

12 DISCONTINUED OPERATION

On 5 November 2024, Shenzhen Guojintongbao entered into an equity transfer agreement with an independent third party in relation to the disposal of entire equity interest of an indirect non-wholly-owned subsidiary, Shenzhen Xiansheng Zhanggui Technology Co., Ltd.* (深圳鮮生掌櫃科技有限公司) (together with its subsidiaries, the “Nongmuren Group” or the “Disposal Group”) which constituted the fresh food retail segment of the Group, for a consideration of RMB300,000. The disposal transaction was completed on 13 January 2025.

Following the disposal of Nongmuren Group, the Group discontinued its operation in sales of fresh food. There was no income or expenses recorded in relation to the fresh food retail segment for the period from 1 January 2025 to 13 January 2025. Financial information related to the fresh food retail segment for the year ended 31 December 2024, which has been included in the consolidated statement of profit or loss and other comprehensive income, is as follows:

(a) Financial performance and cash flow information

	1 January 2025	31 December
	to 13 January	2024
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the period/year from discontinued operation	–	(44,609)
Gain on disposal of subsidiaries (<i>Note 12(b)</i>)	<u>41,246</u>	<u>–</u>
Profit (loss) for the period/year from discontinued operation	<u><u>41,246</u></u>	<u><u>(44,609)</u></u>

	2024
	<i>RMB'000</i>
Revenue	2,667
Cost of sales and services provided	<u>(2,088)</u>
Gross profit	579
Selling and distribution expenses	(4,645)
Administrative expenses	(3,700)
Provision for impairment loss under expected credit loss model, net	(28,058)
Impairment loss on goodwill	(8,504)
Finance costs	<u>(475)</u>
Loss before income tax	(44,803)
Income tax credit	<u>194</u>
Loss for the year from discontinued operation	<u><u>(44,609)</u></u>
Loss and total comprehensive expense for the year attributable to:	
Owners of the Company	(26,891)
Non-controlling interests	<u>(17,718)</u>
	<u><u>(44,609)</u></u>
Loss for the year from discontinued operation includes the following:	
Other staff costs:	
– Salaries and other allowances	4,344
– Retirement benefit scheme contributions	<u>481</u>
Total staff costs	4,825
Amortisation of intangible assets	774
Cost of inventories and services recognised as expenses (including in cost of sales and services provided)	2,088
Depreciation of property, plant and equipment	62
Depreciation of right-of-use assets	<u>1,525</u>

2024
RMB'000

Cash flows from discontinued operation:

Net cash outflows from operating activities	(3,373)
Net cash inflows from financing activities	<u>3,227</u>

Net decrease in cash and cash equivalents in the discontinued operation	<u><u>(146)</u></u>
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The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2024:

2024
RMB'000

Assets classified as held for sale

Property, plant and equipment	407
Right-of-use assets	1,362
Goodwill	3,972
Intangible assets	4,647
Investment in associates	12
Inventories	556
Trade and other receivables	18,460
Bank balances and cash	<u>474</u>

Total assets of Disposal Group held for sale 29,890

Liabilities directly associated with assets classified as held for sale

Trade and other payables	61,174
Amount due to a non-controlling interest	22,978
Lease liabilities	4,419
Deferred tax liabilities	1,161
Bank borrowings	<u>8,000</u>

Total liabilities of Disposal Group held for sale 97,732

(b) **Details of the disposal of subsidiaries**

RMB'000

Consideration received:

Cash consideration	<u><u>300</u></u>
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The carrying amounts of assets and liabilities in relation to the discontinued operation as at 13 January 2025:

RMB'000

The net liabilities disposed of are as follows:

Property, plant and equipment	407
Right-of-use assets	1,362
Goodwill	3,972
Intangible assets	4,647
Investment in associates	12
Inventories	556
Trade and other receivables	18,460
Bank balances and cash	474
Trade and other payables	(61,174)
Amount due to a non-controlling interest	(22,978)
Lease liabilities	(4,419)
Deferred tax liabilities	(1,161)
Bank borrowings	<u>(8,000)</u>

Net liabilities disposed of	<u><u>(67,842)</u></u>
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RMB'000

Gain on disposal of subsidiaries:

Cash consideration received	300
Net liabilities disposed of	67,842
Non-controlling interests	<u>(26,896)</u>

Gain on disposal of subsidiaries (<i>Note 12(a)</i>)	<u><u>41,246</u></u>
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Analysis of net cash flow in respect of the disposal of subsidiaries is as follow:

	<i>RMB'000</i>
Cash consideration received	300
Cash and cash balances disposed of	<u>(474)</u>
Net cash outflow	<u><u>(174)</u></u>

13 TRADE AND OTHER PAYABLES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables (<i>Note i</i>)	15,152	20,456
Other payables and accrued expenses (<i>Note iii</i>)	122,618	26,473
VAT and other tax payables	56,210	18,297
Provision for termination of assignment contracts (<i>Note ii</i>)	7,413	7,413
	<u>201,393</u>	<u>72,639</u>

Notes:

- i) Included in the balance amounting to nil (2024: RMB1,102,000) is payable to a related company of the Group, Jiangxi Longtianyong Nonferrous Metals Co., Ltd.* (江西龍天勇有色金屬有限公司).
- ii) In September 2018, Huzhou Baiyin Property Co., Ltd.* (湖州白銀置業有限公司) (“**Huzhou Baiyin**”), an indirect wholly-owned subsidiary of the Group entered into an assignment contract (the “**Contract**”) with Huzhou South Taihu New District Management Committee (the “**Committee**”) and Huzhou Municipal Bureau of Natural Resources and Planning (the “**Bureau**”) in relation to the acquisition of the land use right over a piece of land located in Huzhou, the PRC (the “**Acquisition**”). The total consideration for the land use right was RMB285,000,000.

On 29 and 30 June 2020, Huzhou Baiyin entered into a termination agreement with the Committee and the Bureau, and a compensation agreement with the Committee, pursuant to which the Committee and the Bureau agreed to terminate the Contract and the Committee agreed to refund the deposits received amounting to RMB270,875,000 (the “**Compensation Sum**”) and compensate for (i) the capital expenditure and other expenses incurred by the Group in connection with the exploration, design and pre-construction works on the land; and (ii) certain taxes paid by another indirect wholly-owned subsidiary of the Group.

As at 31 December 2021, the Group had already paid an aggregate amount of RMB290,094,000 in relation to the Acquisition and fully received the Compensation Sum. As at 31 December 2025, however, certain pre-construction costs that had been incurred before the termination of the Acquisition remained payable by the Group, which amounted to RMB7,413,000 (2024: RMB7,413,000).

- iii) Included in the balance amounting to RMB52,000,000 (2024: nil), representing the consideration payable to acquire the office located at Shenzhen (note 15.1(a)).

* *The English name is for identification only.*

The ageing analysis of the Group’s trade payables based on the invoice dates at the end of the reporting period is as follows:

	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
0 to 30 days	170	4,211
31 to 60 days	26	9
61 to 90 days	35	14
Over 90 days	14,921	16,222
	<u>15,152</u>	<u>20,456</u>

The credit period of purchase of goods and subcontracting costs on processing silver products generally ranges from 1 to 90 days.

14 BANK BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Secured</i>		
Bank borrowings at fixed rate (<i>note i</i>)	8,500	9,000
Bank borrowings at floating rate (<i>note i</i>)	100,140	80,000
<i>Unsecured</i>		
Bank borrowings at floating rate (<i>note ii</i>)	7,990	–
	<u>116,630</u>	<u>89,000</u>
The bank borrowings are repayable as follows:		
Within one year	88,500	89,000
Between two to five years	28,130	–
	<u>116,630</u>	<u>89,000</u>
Carrying amount of bank borrowings that are repayable		
within one year and contain a repayment on demand clause	80,000	–
Carrying amount of bank borrowings that are repayable		
within one year and without a repayment on demand clause	8,500	89,000
Carrying amount of bank borrowings that are not repayable		
within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	28,130	–
Total amounts shown under current liabilities	<u>116,630</u>	<u>89,000</u>

The effective interest rate of the Group's short term bank borrowings (which is also equal to contracted interest rate) during the year is as follows:

	2025	2024
Effective interest rate per annum	<u>4.56%</u>	<u>6.04%</u>

The total banking facility granted to the Group amounted to RMB116,630,000 (2024: RMB105,200,000) of which RMB116,630,000 (2024: RMB89,000,000) were utilised.

Notes:

- i) The amounts are secured and/or guaranteed by (i) personal guarantee from directors of the Company, Mr. Chen He and Mr. Qian Pengcheng; (ii) personal guarantee from a director of China Silver, Mr. Chen Wantian and his spouse; (iii) corporate guarantee and certain assets of a customer and independent third parties; (iv) corporate guarantee from a related company and (v) leasehold land and building with aggregate carrying amount of RMB48,166,000 (2024: (i) personal guarantee from a director of China Silver Group, Mr. Chen Wantian and his spouse; (ii) personal guarantee from a director of the Company, Mr. Qian Pengcheng; (iii) corporate guarantee and certain assets of a supplier and independent third parties; (iv) personal guarantee from directors of the subsidiary, Jiangsu Nongmuren and (v) corporate guarantee from a fellow subsidiary).

Secured bank borrowings of RMB8,500,000 (2024: RMB9,000,000) as at 31 December 2025 carry interest at fixed rates 3.75% (2024: 4.25%) per annum and RMB100,140,000 (2024: RMB80,000,000) carry interest at the loan prime rate, minus 0.95% to plus 1.70% (2024: loan prime rate plus 1.85%) per annum.

- ii) Unsecured bank borrowings of RMB7,990,000 (2024: nil) as at 31 December 2025 carry interest at the loan prime rate, plus 0.2% (2024: nil) per annum.

15 ACQUISITION OF SUBSIDIARIES AND AN ASSOCIATE

15.1 For the year ended 31 December 2025

(a) Acquisition of subsidiaries accounted for as an asset acquisition

On 25 May 2025, Shenzhen Guoyintongbao Limited* (深圳國銀通寶有限公司) (the “**Purchaser**”), an indirect wholly-owned subsidiary of the Group, entered into an equity transfer agreement with Shenzhen Xinja Jewelry Co., Ltd.* (深圳市信嘉珠寶有限公司) and Shenzhen Guangshunjia Jewelry Co., Ltd.* (深圳市廣順嘉珠寶有限公司) (collectively the “**Vendors**”), pursuant to which the Vendors agreed to sell, and the Purchaser agreed to purchase, 100% equity interest in Shenzhen Heqingde Investment Development Co., Ltd.* (深圳市和清德投資發展有限公司), Shenzhen Derunsheng Investment Co., Ltd.* (深圳市德潤生投資有限公司), Shenzhen Heshunle Investment Co., Ltd.* (深圳市和順樂投資有限公司) and Shenzhen Jiadebao Investment Co., Ltd.* (深圳市佳德堡投資有限公司) (collectively the “**Target Companies**”) for a total consideration of RMB80,000,000.

The Group completed the acquisition of the Target Companies on the same day. The acquisition was undertaken to obtain leasehold land and buildings for use as office for the Group’s future business development. Given the nature of the assets acquired, the transaction has been accounted for as an acquisition of assets.

The identifiable assets and liabilities arising from this transaction are as follows:

	<i>RMB’000</i>
Leasehold land and buildings	79,895
Other receivables	130
Bank balances and cash	315
Other payables	(340)
	<hr/>
Purchase consideration	80,000
	<hr/>
Less: bank balances and cash acquired	(315)
Less: cash consideration payable (Note 13)	(52,000)
	<hr/>
Net cash outflow arising on acquisition	<u><u>27,685</u></u>

(b) Acquisition of an associate

On 17 June 2025, Jiangxi Jiyin Company Limited* (江西吉銀實業有限公司)(the “**Purchaser**”), an indirect wholly-owned subsidiary of the Group, entered into an equity transfer agreement with Jiangxi Yincai Trading Co., Ltd.* (江西銀彩貿易有限公司)(the “**Vendor**”), an independent third party of the Group, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, 35% equity interest in Jiangxi Yiding Trading Co., Ltd.* (江西藝鼎貿易有限公司)(the “**Target Company**”) for a total consideration of RMB3,500,000.

The Target Company is a company incorporated in the PRC with limited liability. The Target Company held 100% equity interest in Xizang Shigatse Huaye Mining Development Co., Ltd.* (西藏日喀則市華冶礦業開發有限責任公司)(“**Xizang Shigatse**”), a company incorporated in the PRC with limited liability. Xizang Shigatse is principally engaged in the exploration of a lead and zinc mine. The transaction was completed on 18 July 2025. The Group’s interests in the Target Company were classified as an associate and have been accounted for under the equity method.

* *The English name is for identification only.*

15.2 For the year ended 31 December 2024

(a) Acquisition of subsidiaries accounted for as an asset acquisition

On 15 August 2024, Jiangxi Jiyin Company Limited* (江西吉銀實業有限公司)(the “**Purchaser**”), an indirect wholly-owned subsidiary of the Group, entered into an equity transfer agreement with Jiangxi Huiying Trading Company Limited* (江西輝穎貿易有限公司)(the “**Vendor**”), pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, 51% equity interest in Jiangxi Letong New Materials Company Limited* (江西樂通新材料有限公司)(the “**Target Company**”) for a total consideration of RMB2,550,000.

On 21 August 2024, the Group completed the acquisition of the Target Company, a company incorporated in the PRC with limited liability. The Target Company holds 100% equity interest in Tibet Longtianyong, a PRC-incorporated limited liability company principally engaged in the exploration of a lead and zinc mine.

The acquisition was undertaken to secure exploration rights for a lead and zinc mine and a property for use as staff quarters as part of the Group’s future business development. Given the nature of the assets acquired, the transaction has been accounted for as an acquisition of assets.

The identifiable assets and liabilities arising from this transaction are as follows:

	<i>RMB'000</i>
Exploration right	472
Right-of-use assets	2,799
Other receivables	2,877
Bank balances and cash	63
Other payables	(1,211)
A non-controlling interest	<u>(2,450)</u>
Purchase consideration	2,550
Less: bank balances and cash acquired	<u>(63)</u>
Net cash outflow arising on acquisition	<u><u>2,487</u></u>

* *The English name is for identification only.*

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 December 2025, the Group's total revenue amounted to approximately RMB487.0 million (2024: RMB157.6 million), representing a significant increase of approximately 209.0% as compared to 2024. The increase in revenue was mainly due to a significant increase in the sales volume of gold and silver products. In 2025, the international gold price remained at a high level, and the Group also actively sold existing inventories acquired at relatively low procurement costs, thereby driving a notable improvement in the profit of gold products as compared with previous years. In light of this, the Group further shifted the focus of its sales strategy towards gold products during the year, which led to a substantial overall increase in the sales revenue from gold products during the year and a remarkable rise in their sales proportion from approximately 9.9% in the last year to approximately 50.8% during the year. The net profit attributable to the owners of the Company amounted to approximately RMB102.8 million, representing a significant increase of approximately 543.2% as compared with the net loss attributable to the owners of the Company of approximately RMB23.2 million for last year, marking a strong turnaround from loss to profit.

In 2025, against the backdrop of ongoing global geopolitical conflicts, the Federal Reserve's initiation of an interest rate-cutting cycle, massive and sustained gold purchases by central banks in emerging markets worldwide, all of which drove up the price of gold as a safe-haven asset, and inflationary pressures, international gold prices continued to climb and repeatedly hit historical highs. The sharp rally in international gold prices also pushed up global silver prices. Meanwhile, production by major silver-producing countries leveled while industrial demand for silver remained strong, driven by the growth in global solar photovoltaics (PV), new energy, Artificial Intelligence (AI) computing servers and data center sectors.

With the strong upward momentum in gold price, the precious metals market has also entered a phase of prosperous development. In 2025, the Group quickly adjusted its strategy, shifting its strategic focus to gold and formally entered the upstream gold resource sector. This strategic transformation decision significantly enhanced the Group's market competitiveness, and fully demonstrates the Group's strategic foresight.

Following the Group's official renaming to "Mount Everest Gold Group Company Limited", its annual performance improved significantly with outstanding results, representing a substantial increase of approximately 209.0% in revenue as compared with 2024.

New Jewellery Retail Segment

The strong upward trend of gold price has not dampened buying enthusiasm, but has instead strengthened investors' confidence in gold's safe-haven and value-preserving functions. As gold price hits new highs, investors are proactively adjusting their asset allocations, channeling funds into gold to diversify risks and seize growth opportunities, hoping to hedge against macro risks and benefit from the potential upward trend. Consequently, market demand for physical gold, especially investment products directly linked to gold prices with lower processing fees, has surged significantly. Driven by this, during the year, the Group saw a significant increase in sales of investment gold bar products characterized by high unit prices and low processing fees. Since most of the gold products sold were inventories with relatively low procurement and/or processing costs and the gold price increased significantly during the year, the revenue and gross profit margin of the sales of gold products increased substantially.

As consumption recovers, we will seek further breakthroughs in product research and development and product channels. The Group's management and employees are confident in achieving the Company's performance targets through joint efforts. At the end of March 2025, the management and Board of the Company adopted and approved a share option scheme to boost employees' confidence and encourage eligible participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

The Group reduced marketing expenses for the lab-grown diamond brand, SISI, as compared to past years. The lab-grown diamond industry in the PRC started relatively late; at this stage, the penetration rate of lab-grown diamonds in jewellery consumption in the PRC remains low. Currently, public opinions on the outlook of the lab-grown diamond market are still generally based on the logic of substituting natural diamonds, and the market requires a longer period of time to verify this trend. In recent years, the increase in Russia's diamond production capacity has been a major factor leading to the price decline of natural diamonds. Meanwhile, as lab-grown diamond manufacturers in the PRC continue to expand production capacity and upgrade production equipment, the current lab-grown diamond market is in a state of oversupply, resulting in price drops and extreme "internal competition" in respect of retail prices. When cost becomes a key competitive advantage, brands will be forced to further increase their investment. At present, the Group aims to maintain the profitability of its business and sufficient working capital amid macro challenges. The Group will carefully consider the investment and sales strategies for its lab-grown diamond brand SISI. With respect to other gemstones categories, the colored gemstones market has been growing steadily in recent years, yet it is undergoing structural divergence, with significant differences in price trends among gemstones of varying quality, origin and treatment methods. The Group will also consider new sales strategies for its existing ruby inventory.

Online Sales Channels

We partnered with third-party online platforms which included television and video shopping channels in the PRC to promote and sell our jewellery products. We also became a core supplier in the gold, silver and jewellery category for all top television channels, which enabled us to achieve satisfactory sales performance. With a daily coverage of over 100 million home viewers in the PRC, our brand awareness among a vast population of Chinese viewers of television and video shopping channels was enhanced substantially.

Short-video promotion and KOL promotion have become standard practices in our brand marketing, and their content has also become the core element of every aspect of our brand marketing, sales and operation.

Offline Retail and Service Network

(1) Shenzhen Exhibition Hall

We sell products at the Shenzhen Exhibition Hall in Shuibei, Shenzhen, which is generally regarded as home to the PRC's largest and leading jewellery trading and wholesale market. The Shenzhen Exhibition Hall serves as an interactive exhibition and sales platform primarily for our wholesale customers as well as franchisees.

(2) CSmall Shops

In 2025, in light of the Group's evolving business focus, the Group did not further expand its existing store network, and adjusted the layout of offline business outlets. As of 31 December 2025, the Group had two franchised CSmall Shops located in Xinjiang and Zhejiang provinces of the PRC.

Development of exploration business

Tibet has long been regarded as one of the most resource-rich regions in the PRC, and is particularly renowned for its abundant reserves of copper, gold and other non-ferrous metals. Its superior geological conditions and immense untapped potential have attracted increasing interest from investors at home and abroad, making the region a strategic hub for China's future mineral resources development.

On 21 August 2024, the Group completed the acquisition of 51% equity interest in Jiangxi Letong New Materials Co., Ltd. ("**Jiangxi Letong**"), which in turn holds 100% equity interests in Tibet Longtianyong Mining Company Limited ("**Tibet Longtianyong**"). Tibet Longtianyong holds an exploration license with the right to conduct general exploration on mineral resources in an area of 28.88 km² in Lhoka, Tibet, China ("**Lhoka Mine**").

In January 2025, Tibet Longtianyong received a review opinion issued by the Tibet Review Centre on the general exploration report on Lhoka Mine prepared in respect of the general exploration of the mineral resources in Lhoka Mine conducted in the second half of 2024. According to such general exploration report and review opinion, Tibet Longtianyong discovered certain gold mineralized zones in Lhoka Mine. Such gold ore bodies are estimated to have an inferred ore volume of approximately 2,100,000 tonnes and an inferred metal volume of approximately 5,800 kilograms of gold, with an average gold ore grade of approximately 2.77 grams/tonne. The deposit in this area has enormous potential. It is preliminarily anticipated that Lhoka Mine could reach a prospective metal volume of approximately 20 to 25 tonnes of gold, displaying potential for a large-scale gold mine.

As further exploration progressed, the exploration phase of the mineral exploration right was upgraded from “general exploration” to “detailed exploration” in March 2025. The area of exploration was also changed to 22.8246 km² from 28.88 km². In March 2025, the Tibet Review Centre further approved the detailed exploration implementation plan (the “**Detailed Exploration Implementation Plan**”) submitted by Tibet Longtianyong in relation to the polymetallic mine at Lhoka Mine for its review. The approval of the Detailed Exploration Implementation Plan marked substantive progress in the Company’s transformation into a gold resource enterprise with potential for large-scale gold mine development. According to the Detailed Exploration Implementation Plan, the gold-polymetallic deposit in the Gudui mining area is a typical gold-antimony deposit characterized by the coexistence of gold and antimony. As a key semiconductor material, antimony (Sb) plays an irreplaceable role in the application of semiconductor technologies in cutting-edge fields such as infrared detection, high-efficiency storage, energy utilization, and quantum computing. Driven by demand for semiconductor materials, antimony prices have remained in a high range over the long term, and revenue from associated antimony is expected to become an important profit growth driver for the project. This also signifies that the Group has seized the opportunity to enter into the field of core semiconductor materials, and is expected to share the substantial benefits from the rapid development of cutting-edge technology industries including semiconductors, new energy, high-efficiency storage, and quantum computing.

On 18 July 2025, the Group and China Silver jointly completed the acquisition of the 55% equity interest in Jiangxi Yiding Trading Co., Ltd. (“**Jiangxi Yiding**”), which in turn holds 100% equity interest in Xizang Shigatse Huaye Mining Development Co., Ltd. (“**Xizang Shigatse**”). Xizang Shigatse holds an exploration license which grants it the right to conduct general exploration on mineral resources within an area of 50.81 km² in Shigatse, Tibet covered under the exploration license (“**Shigatse Mine**”). This mining area is located in the core zone of the Gangdise metallogenic belt. The Gangdise metallogenic belt, situated in south-central Tibet, is a giant metal metallogenic belt formed by the collision of the Indian Plate and the Eurasian Plate on the southern edge of the Qinghai-Tibet Plateau. Geologically, the belt is characterized by intense magmatic activity and tectonic movement, which have led to the formation of abundant polymetallic deposits containing copper, gold, silver, molybdenum, lead and zinc etc. In particular, copper resources are the most prominent and the total copper resource reserves of the belt are comparable to those of the Andes Mountains in South America (the world’s largest copper metallogenic belt, accounting for approximately 40% of global copper reserves). The ore bodies are thick, shallowly buried, and of high grade, boasting superior open-pit mining conditions and the associated rich gold and silver resources. The comprehensive value far exceeds that of a single copper mine. As for the exploration direction at the current stage, Xizang Shigatse will focus on the exploration of lead-zinc mines.

As disclosed in the Company’s announcement dated 29 December 2025, in December 2025, the Group entered into a cooperation agreement with Zijin Mining Group Southwest Geological Exploration Co., Ltd., a subsidiary of Zijin Mining Group Co., Ltd. (Hong Kong Stock Code: 2899) (“**Zijin Mining**”) and an independent third party of the Company in respect of Lhoka Mine and Shigatse Mine, pursuant to which Zijin Mining was entrusted to provide exploration services, which will provide technical and informational support for the Company’s future resource development and potential equity investment in the relevant mining areas.

Fresh Food Retail Segment (classified as discontinued operation)

On 31 December 2021, the Group entered into an investment agreement for investment and control in Jiangsu Nongmuren Electronic Business Corp.* (江蘇農牧人電子商務股份有限公司)(“**Jiangsu Nongmuren**”), which is the developer and operator of the “農牧人” (“**Nongmuren**”, meaning farmers and herdsmen) S2B2C platform. The “Nongmuren” S2B2C platform, officially launched in May 2021, provides branding and SaaS (software as a service) services to enterprises along the agricultural supply chain as well as small and medium-sized businesses in China. However, in view of the continued decline in fresh food sales in recent years, together with the weakening viability of the business model, limited growth potential and the presence of a willing buyer, the Group signed an equity transfer agreement with a buyer on 5 November 2024 to dispose of its entire 51% equity interest in Shenzhen Xiansheng, in order for the Group to focus its management’s attention and financial and manpower resources on its core businesses. The disposal was completed on 13 January 2025 and has recorded a gain on disposal of approximately RMB41.2 million for the Group.

PROSPECTS

Looking ahead, the global capital market will focus on the historic breakthrough of the gold market. Gold mining stocks have been rising steadily, accompanied by the historic surge in precious metals. Following the change of the Company's name from "CSMall" to "Everest Gold", the Group has officially entered a brand-new "golden age".

The acquisition of Xizang Shigatse completed during the year has provided the Group with another opportunity on top of the acquisition of Tibet Longtianyong as completed in 2024 to expand its influence in the upstream gold mineral exploration business. Together with the significant progress made in Lhoka Mine, such acquisitions are expected to facilitate the Group's expansion into upstream mining operations, which confers a greater control over upstream raw material supply that is essential and brings synergy to the core production sector of our new jewellery retail business.

The participation of Zijin Mining also provides technical and information support for the Company's future resource development and potential equity investment in the relevant mining areas.

The Group will also continue to proceed with in-depth exploration to ensure a more accurate assessment of mineral resources and advancing towards commercial exploitation as soon as practicable.

Through the expansion of its resource reserves, the Group aims to position itself to benefit from favorable market conditions in the gold sector and has made initial progress in this regard. As a scarce gold resource company listed on the Hong Kong Stock Exchange, the Group has undertaken a strategic transformation. In particular, following the acquisition of equity interests in Lhoka Mine and Shigatse Mine, the Group has been advancing its exploration and development in an orderly manner. Looking ahead, the Group will continue to focus on the development of its existing assets and seek to enhance operational efficiency, delivering sustainable value to its shareholders and strengthening its position within the gold industry.

Meanwhile, the Group's management will also remain vigilant for uncertainties in the global market while seeking value-adding investment opportunities to create maximum value for shareholders.

FINANCIAL REVIEW

Continuing Operation

Revenue

The revenue of the Group for the year ended 31 December 2025 was approximately RMB487.0 million (2024: RMB157.6 million), representing a significant increase of approximately 209.0% from that of 2024, the increase was mainly due to the significant increase in sales of gold products and silver products which was primarily driven by the significant increase in gold and silver price during the year.

	2025		2024	
	Revenue RMB'000	% of revenue	Revenue RMB'000	% of revenue
By products				
– Sales of gold products	247,370	50.8%	15,629	9.9%
– Sales of silver products	236,008	48.4%	137,643	87.3%
– Sales of gem-set and other jewellery products	1,842	0.4%	724	0.5%
– Sales of colored gemstones	1,749	0.4%	3,574	2.3%
	<u>486,969</u>	<u>100.0%</u>	<u>157,570</u>	<u>100.0%</u>
By sales channels				
– Shenzhen Exhibition Hall	312,385	64.2%	51,283	32.5%
– Online Sales Channels	173,895	35.7%	105,774	67.1%
– CSmall Shops	689	0.1%	513	0.4%
Total	<u>486,969</u>	<u>100.0%</u>	<u>157,570</u>	<u>100.0%</u>

Cost of Sales

Cost of sales significantly increased from approximately RMB109.2 million for the year ended 31 December 2024 to approximately RMB276.3 million for the year ended 31 December 2025, representing a significant increase of approximately 153.1%, mainly due to significant increase in revenue contributed from the sales of gold and silver products.

Gross Profit and Gross Profit Margin

We recorded gross profit of approximately RMB210.7 million for the year ended 31 December 2025 (2024: RMB48.4 million), an increase of approximately 335.2% as compared to that of 2024. The Group's sales of gold and silver products increased significantly in 2025, leading to a rise in the overall sales of the Group's in 2025. In addition, with the significant increase in gold prices in 2025 and most of the gold and silver products sold by the Group in 2025 were inventories procured at relatively low costs, the gross profit margin from the sales of gold products improved substantially, resulting in an increase in overall gross profit.

Other Income, Gains and Losses

Other income and other gains and losses mainly include bank interest income; and net exchange gains respectively.

Selling and Distribution Expenses

Selling and distribution expenses increased by approximately 46.5% from approximately RMB15.5 million for the year ended 31 December 2024 to approximately RMB22.7 million for the year ended 31 December 2025, mainly due to the increase in sales during the period, which resulted in higher related selling and distribution expenses.

Administrative Expenses

Administrative expenses increased by approximately 267.6% from approximately RMB23.6 million for the year ended 31 December 2024 to approximately RMB86.7 million for the year ended 31 December 2025, mainly due to the share-based payment expenses to its employees of approximately RMB56.5 million and the expenses incurred in connection with the Group's expansion into the exploration business.

Income Tax Expense

Income tax expense increased from approximately RMB1.2 million for the year ended 31 December 2024 to approximately RMB38.4 million for the year ended 31 December 2025, mainly due to the increase in the PRC Enterprise Income Tax charged for the year arising from the increase in taxable profits.

Profit Attributable to Owners of the Company

For the year ended 31 December 2025, we recorded a profit attributable to owners of the Company from continuing operation of approximately RMB61.5 million (2024: RMB3.7 million), representing a significant increase of approximately 1,560.8% compared to that for 2024. Such significant increase was mainly attributable to the following factors:

- (i) The Group's sales of gold products for the year increased significantly by approximately 1,482.8% and sales of silver products also increased significantly by approximately 71.5% as compared to 2024. In addition, with the significant increase in gold prices in 2025 and most of the gold products sold by the Group during the year being inventories with relatively low procurement costs, the gross profit margin of the Group's sales of gold products increased substantially, resulting in a significant increase in overall gross profit as compared to 2024.
- (ii) The Company completed the disposal of the Fresh Food Retail Segment during the year and recorded a gain on disposal of approximately RMB41.2 million for the Group.

The aforementioned factors were partially offset by the following factor:

- (iii) The Group recorded share-based payment expenses of approximately RMB56.5 million (carried at the fair value of the granted share options) during the year in relation to the grant of share options to its employees.

Discontinued Operation

Various factors unfavorable to the operation and development of the Jiangsu Nongmuren platform (i.e. the Fresh Food Retail segment) have gradually emerged since the Group's investment into the Nongmuren Group in 2021, including a downward trend in pork prices in China and a decline in overall pork consumption, as well as the resumption of the traditional fresh food model after the epidemic, which affected the business of the Nongmuren platform that provides branding and SaaS services to enterprises along the agricultural supply chain. As a result, the value of the Jiangsu Nongmuren business model has diminished, and its business prospects and growth potential had become limited. Accordingly, in order for the Group to focus management's attention and its financial and manpower resources on the core jewellery and metals business, the Group decided to dispose of the business of the Nongmuren platform. The disposal was completed on 13 January 2025 and generated a gain on disposal of approximately RMB41.2 million for 2025.

Inventories, Trade Receivables and Trade Payables Turnover Cycle

The Group's inventories mainly comprise gold bars, colored gemstones, silver bars and jewellery products. For the year ended 31 December 2025, inventory turnover days were approximately 1,286.4 days (for the year ended 31 December 2024: 3,266.8 days). The improvement in inventory turnover days was primarily attributable to the significant increase in sales of gold and silver products during the year, particularly gold products, which resulted in faster-moving inventory.

The turnover days for trade receivables for the year ended 31 December 2025 were approximately 45.1 days (for the year ended 31 December 2024: 130.0 days). The improvement was mainly attributable to the significant increase in sales of gold products during the year, which generally have a shorter receivables cycle, thereby lowering the overall trade receivables turnover days.

The turnover days for trade payables for the year ended 31 December 2025 were approximately 23.5 days (for the year ended 31 December 2024: 84.6 days). The improvement was mainly due to decrease in purchases of inventories and raw materials during the year, which lowered the average trade payables balance and shortened the trade payables turnover days.

Bank Borrowings

As of 31 December 2025, the Group's bank borrowings balance amounted to approximately RMB116.6 million (as of 31 December 2024: RMB89.0 million), of which approximately RMB8.5 million of bank borrowings was carried at fixed interest rate and approximately RMB108.1 million was carried at floating interest rate (as of 31 December 2024: RMB9.0 million was carried at fixed interest rate and RMB80.0 million was carried at floating interest rate). The bank borrowings of approximately RMB88.5 million would fall due for repayment within one year, and approximately RMB28.1 million would fall due for repayment between two to five years which contain a repayment on demand clause and was shown under current liabilities.

The Group's net gearing ratio was calculated on the basis of the bank borrowings less bank balances and cash as a percentage of total equity. As of 31 December 2025, the Group remains in a net cash position with a net gearing ratio of approximately -32.5% (as of 31 December 2024: -26.4%).

Capital Expenditures

For the year ended 31 December 2025, the Group invested approximately RMB87.7 million in property, plant and equipment (2024: RMB1.2 million).

Pledge of Assets

As at 31 December 2025, the Group has pledged leasehold land and buildings with a carrying value of approximately RMB48.2 million (as at 31 December 2024: nil) to secure general banking facilities.

Capital Commitments

As of 31 December 2025 and 2024, the Group did not have any material capital commitments.

Contingent Liabilities

As at 31 December 2025, the Group did not have any material contingent liabilities (as at 31 December 2024: RMB250,000,000).

Employees

As of 31 December 2025, the Group employed 130 staff members (as of 31 December 2024: 123 staff members) and the total staff cost for the year ended 31 December 2025 amounted to approximately RMB15.6 million (2024: RMB14.3 million) for continuing operation. The increase was mainly due to the development in exploration business in current year. The Group's remuneration packages are in line with the current laws in the relevant jurisdictions, the experience and qualifications of individual employees and the general market conditions. Bonuses are linked to the Group's financial results as well as to individual performances. The Group ensures that adequate training and professional development opportunities are provided to all employees so as to satisfy their career development needs.

In addition, the Company has adopted a share option scheme on 27 March 2025 (the "**Share Option Scheme**") pursuant to the shareholders' approval obtained at the extraordinary general meeting held on the same date, as disclosed in the Company's announcement dated 27 March 2025, with the primary purpose of providing incentives to eligible employees. As further disclosed in the Company's announcement dated 31 March 2025, the Company has granted an aggregate of 123,780,000 shares under the Share Option Scheme to 11 grantees (the "**Grantees**"), all of whom have accepted the share options, representing 10.00% of the total number of shares of the Company in issue as at the adoption date of the Share Option Scheme. All share options granted to the Grantees will vest on the first anniversary of the date of grant.

Liquidity and Financial Resources

The Group maintained a healthy liquidity position during the year. The Group was principally financed by internal resources and bank borrowings. The Group's principal financial instruments comprise bank balances and cash, trade and other receivables, trade and other payables as well as bank borrowings. As of 31 December 2025, the bank balances and cash, net current assets and total assets less current liabilities were approximately RMB608.2 million (as of 31 December 2024: RMB429.3 million), RMB1,366.6 million (as of 31 December 2024: RMB1,267.9 million) and RMB1,511.6 million (as of 31 December 2024: RMB1,288.5 million), respectively.

As further detailed in the section headed "The subscription of new shares under general mandate" below and as disclosed in the announcement of the Company dated 19 November 2025, the Company entered into subscription agreements with each of the six subscribers on 19 November 2025, pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 247,500,000 shares at a subscription price of HK\$1.61 per share (the "**Subscription**"). The gross proceeds from the Subscription amount to HK\$398,475,000, and the net proceeds, after deduction of all relevant expenses, are approximately HK\$397,975,000. Partial completion of the Subscription took place on 31 December 2025, 6 February 2026 and 13 March 2026, as disclosed in the Company's announcements of the same dates. As further disclosed in the Company's announcement dated 27 February 2026, the long stop date for the fulfilment of the conditions precedent in respect of the remaining subscriptions has been extended to 31 March 2026.

Dividend

No final dividend for the year ended 31 December 2025 was proposed (2024: nil).

Significant Investment Held, Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures and Plans for Significant Investment or Acquisition of Capital Assets in the Future

On 13 January 2025, the Group completed the disposal of 51% equity interest of Shenzhen Xiansheng Zhanggui Technology Co., Ltd.* (深圳鮮生掌櫃科技有限公司), which controls the operation of Jiangsu Nongmuren and being one of the Group's operating segments, namely the Fresh Food Retail segment. Further details of the disposal are set out in the announcements published on 5 November 2024 and 15 January 2025.

On 17 June 2025, Jiangxi Jiying Company Limited* (江西吉銀實業有限公司) (the “**Purchaser**”), an indirect wholly-owned subsidiary of the Group, entered into an equity transfer agreement with Jiangxi Yincai Trading Co., Ltd.* (江西銀彩貿易有限公司) (the “**Vendor**”), an independent third party of the Group, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, 35% equity interest in Jiangxi Yiding Trading Co., Ltd.* (江西藝鼎貿易有限公司) (the “**Target Company**”) for a total consideration of RMB3,500,000.

The Target Company is a company incorporated in the PRC with limited liability. The Target Company held 100% equity interest in Xizang Shigatse Huaye Mining Development Co., Ltd.* (西藏日喀則市華冶礦業開發有限責任公司) (“**Xizang Shigatse**”), a company incorporated in the PRC with limited liability. Xizang Shigatse is principally engaged in the exploration of lead and zinc mine. Further details of the transaction are set out in the announcements published on 17 June 2025 and 26 June 2025. The transaction was completed on 18 July 2025.

Save as disclosed above, as at 31 December 2025, the Group did not hold any significant investment nor carry out any material acquisition and disposal of subsidiaries, associates, and joint ventures, nor was there any plan for other significant investment or acquisition of capital assets in the future.

The subscription of new shares under general mandate

The gross proceeds from the Subscription amount to HK\$398,475,000 in aggregate. The net proceeds from the Subscription, after deduction of all relevant expenses, are approximately HK\$397,975,000, none of which had been utilised as at 31 December 2025. Following completion of the Subscription, the net proceeds from the Subscription will be applied in a manner consistent with the intended use of proceeds as disclosed in the Company's announcements dated 5 December 2025 and 19 November 2025.

Significant Event after the Reporting Period

There is no material subsequent event after reporting period.

Closure of Register of Members

The register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the right to attend and vote at the annual general meeting to be held on Thursday, 18 June 2026, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 12 June 2026 for registration of transfer.

Code of Corporate Governance Practice

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and responsibility. As at the date of this announcement, the Board comprises three executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") . Throughout the year ended 31 December 2025, the Company has complied with the code provisions under the CG Code except for the deviations as explained below.

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Chen He is currently both the chairman of the Board and chief executive officer of the Company. He has been leading the Group for many years since he joined the Group in 2013. He has been the driving force behind the Group's development, growth and expansion and is primarily responsible for the overall management of the Group and for directing strategic developments and business plans of the Group. In light of the above, all of the Directors consider Mr. Chen He to be the best candidate for both positions and that such arrangement is beneficial to and in the best interests of the Group and the shareholders of the Company as a whole.

The Board will continue to review the situation and consider splitting the roles of chairman and chief executive officer of the Company in due course after taking into account the then overall circumstances of the Group.

Pursuant to the amendments to the CG Code which has come into effect on 1 July 2025, the Company shall appoint at least one director of a different gender to the nomination committee, and with regard to the actual circumstances of the Company, on 24 March 2026, the Board appointed Ms. Huang Wen, an Executive Director of the Company and Mr. Hu Qilin, an Independent Non-executive Director of the Company, as members of the nomination committee of the Company, with effect from 24 March 2026. For further details, please refer to the announcement of the Company dated 24 March 2026.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. Having made specific enquiry with all the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2025.

Purchase, Sale or Redemption of the Listed Securities of the Company

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

Audit Committee

The Audit Committee of the Company (the “**Audit Committee**”) has reviewed the financial reporting processes, risk management and internal control systems of the Group and discussed with the external auditor the audited consolidated financial statements for the year ended 31 December 2025. The Audit Committee is of the opinion that these statements had complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made.

Scope of Work of Linksfield CPA Limited

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Company's auditor, Linksfield CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board on 25 March 2026. The work performed by Linksfield CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Linksfield CPA Limited on this announcement.

Acknowledgement

Gratitude is expressed to the management and all of our staff for their hard work and dedication, as well as our shareholders and customers for their continuous support to the Group.

Publication of Results Announcement and Annual Report

This audited annual results announcement is published on the websites of the Company (www.everestgold.hk) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The 2025 annual report of the Company will be dispatched to the shareholders of the Company who requested printed copies and made available on the same websites in due course.

By Order of the Board
Mount Everest Gold Group Company Limited
Chen He
Chairman

Hong Kong, 25 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. Chen He, Mr. Qian Pengcheng and Ms. Huang Wen; and the independent non-executive directors of the Company are Mr. Yu Leung Fai, Mr. Hu Qilin and Mr. Zhang Zuhui.

* *For identification purpose only*