

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**中國白銀集團**  
CHINA SILVER GROUP

**CHINA SILVER GROUP LIMITED**

**中國白銀集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 815)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**HIGHLIGHTS OF 2025 ANNUAL RESULTS**

During the year ended 31 December 2025, the Group recorded revenue of approximately RMB3,063.3 million (2024: RMB4,156.1 million), representing a decrease of approximately 26.3% from that of 2024.

The profit attributable to the owners of the Company amounted to approximately RMB586.3 million for the year ended 31 December 2025 (2024: RMB10.0 million) representing a significant increase of approximately RMB576.3 million, or 5,783.3%.

This increase was primarily attributable to the following factors:

- (i) In respect of the Manufacturing segment, despite the decrease in revenue, the profit margin had increased due to the increase in silver price in 2025, resulting in an increase in gross profit and net profit for the segment for 2025;
- (ii) The New Jewellery Retail segment (operated by Everest Gold Group, a former non-wholly-owned subsidiary of the Company which has ceased to be a subsidiary at 31 December 2025) recorded a significant increase in the revenue from sales of gold products and silver products in 2025. As most of the gold products sold by this segment in 2025 were inventories procured at relatively low procurement costs, and gold prices rose significantly in 2025, the segment's gross profit margin improved substantially, resulting in a significant increase in the net profit for 2025 as compared with 2024;
- (iii) The Company completed the deemed disposal of Everest Gold Group on 31 December 2025, which generated a gain of approximately RMB537.2 million for the Group; and
- (iv) The Group completed the disposal of the Fresh Food Retail segment (originally operated by the Company's former non-wholly-owned subsidiary, Everest Gold Group) on 13 January 2025, and generated a gain of approximately RMB11.5 million for the Group.

The aforementioned factors were partially offset by the following factors:

- (v) The Group recorded share-based payment expenses of approximately RMB28.4 million in 2025 due to the grant of share awards by the Company to its employees; and
- (vi) The Group recorded share-based payment expenses of approximately RMB22.8 million in 2025 due to the grant of share options by Everest Gold Group to its employees.

The board of directors (individually, a “**Director**”, or collectively, the “**Board**” or the “**Directors**”) of China Silver Group 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> | <b>2025</b><br><i>RMB'000</i> | 2024<br><i>RMB'000</i><br>(Restated) |
|--|--------------|-------------------------------|--------------------------------------|
| <b>Continuing operation</b>  |              |                               |                                      |
| Revenue  | 4            | 3,063,300                     | 4,156,144                            |
| Cost of sales  |              | <u>(2,991,131)</u>            | <u>(4,093,459)</u>                   |
| <b>Gross profit</b>  |              | <b>72,169</b>                 | 62,685                               |
| Other income, net  |              | <b>5,800</b>                  | 2,934                                |
| Other gains and (losses), net  | 5            | <b>2,071</b>                  | (2,456)                              |
| Selling and distribution expenses  |              | <b>(2,322)</b>                | (3,154)                              |
| Administrative expenses  |              | <b>(52,010)</b>               | (21,360)                             |
| Research and development expenses  |              | <b>(724)</b>                  | (789)                                |
| Provision for impairment loss under expected credit loss model, net        |              | –                             | –                                    |
| Finance costs  |              | <u><b>(12,037)</b></u>        | <u>(21,232)</u>                      |
| <b>Profit before income tax</b>  |              | <b>12,947</b>                 | 16,628                               |
| Income tax (expense) credit  | 6            | <u><b>(330)</b></u>           | <u>2,102</u>                         |
| <b>Profit for the year from continuing operation</b>                       | 7            | <b>12,617</b>                 | 18,730                               |
| <b>Discontinued operations</b>   |              |                               |                                      |
| Profit (loss) for the year from discontinued operations                    | 12           | <b>59,664</b>                 | (40,932)                             |
| Gain on deemed disposal of subsidiaries                                    | 12(i)&(ii)   | <b>537,218</b>                | –                                    |
| Gain on disposal of subsidiaries   | 12(iii)      | <u><b>11,465</b></u>          | <u>–</u>                             |
|  |              | <u><b>608,347</b></u>         | <u>(40,932)</u>                      |
| <b>Profit (loss) and total comprehensive income (expense) for the year</b> |              | <u><u><b>620,964</b></u></u>  | <u><u>(22,202)</u></u>               |

|  | <i>Notes</i> | <b>2025</b><br><b><i>RMB'000</i></b> | 2024<br><i>RMB'000</i><br>(Restated) |
|--|--------------|--------------------------------------|--------------------------------------|
| <b>Profit (loss) and total comprehensive income (expense) for the year attributable to:</b>          |              |                                      |                                      |
| Owners of the Company  |              | <b>586,329</b>                       | 9,966                                |
| Non-controlling interests  |              | <b>34,635</b>                        | (32,168)                             |
|  |              | <b><u>620,964</u></b>                | <b><u>(22,202)</u></b>               |
| <b>Profit (loss) for the year attributable to Owners of the Company arises from:</b>                 |              |                                      |                                      |
| Continuing operation   |              | <b>12,617</b>                        | 18,730                               |
| Discontinued operations  |              | <b>573,712</b>                       | (8,764)                              |
|  |              | <b><u>586,329</u></b>                | <b><u>9,966</u></b>                  |
|  |              | <b><i>RMB</i></b>                    | <b><i>RMB</i></b>                    |
| <b>Earnings per share for profit attributable to owners of the Company</b>                           |              |                                      |                                      |
| Basic and diluted  | <i>9</i>     | <b><u>0.245</u></b>                  | <b><u>0.005</u></b>                  |
| <b>Earnings per share for profit from continuing operation attributable to owners of the Company</b> |              |                                      |                                      |
| Basic and diluted  | <i>9</i>     | <b><u>0.005</u></b>                  | <b><u>0.010</u></b>                  |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

|   | <i>Notes</i> | 2025<br><b>RMB'000</b> | 2024<br><b>RMB'000</b> |
|---|--------------|------------------------|------------------------|
| <b>Non-current assets</b>   |              |                        |                        |
| Property, plant and equipment   |              | 81,560                 | 98,915                 |
| Goodwill  |              | –                      | –                      |
| Right-of-use assets   |              | 15,265                 | 19,057                 |
| Intangible assets   |              | 1,019                  | 6,796                  |
| Investments in associates   | 11           | 1,105,751              | –                      |
| Deferred tax assets   |              | 342                    | 4,932                  |
|   |              | <b>1,203,937</b>       | 129,700                |
| <b>Current assets</b>   |              |                        |                        |
| Inventories   |              | 184,768                | 1,111,866              |
| Trade and other receivables   | 10           | 2,273                  | 140,542                |
| Income tax recoverable  |              | –                      | 736                    |
| Pledged bank deposits   |              | 239,500                | 39,800                 |
| Bank balances and cash  |              | 232,315                | 526,342                |
|   |              | <b>658,856</b>         | 1,819,286              |
| Assets of a disposal group classified as held for sale                  | 12(iii)      | –                      | 29,890                 |
|   |              | <b>658,856</b>         | 1,849,176              |
| <b>Current liabilities</b>  |              |                        |                        |
| Trade, bills and other payables   | 13           | 325,594                | 198,200                |
| Lease liabilities – current portion                                     |              | 507                    | 699                    |
| Contract liabilities  |              | –                      | 5,577                  |
| Amounts due to non-controlling interests                                |              | –                      | 6,396                  |
| Amount due to the ultimate shareholder                                  |              | 74,719                 | 40,010                 |
| Amounts due to associates   |              | 18,494                 | –                      |
| Deferred income   |              | 714                    | 714                    |
| Income tax payable  |              | 116                    | 8,501                  |
| Bank and other borrowings   | 14           | 110,000                | 400,921                |
|   |              | <b>530,144</b>         | 661,018                |
| Liabilities directly associated with assets classified as held for sale | 12(iii)      | –                      | 97,732                 |
|   |              | <b>530,144</b>         | 758,750                |
| <b>NET CURRENT ASSETS</b>   |              | <b>128,712</b>         | 1,090,426              |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                            |              |                        |                        |
|   |              | <b>1,332,649</b>       | 1,220,126              |

|   | 2025<br><i>RMB'000</i>         | 2024<br><i>RMB'000</i>         |
|---|--------------------------------|--------------------------------|
| <b>Capital and reserves</b>                             |                                |                                |
| Share capital   | 25,373                         | 15,935                         |
| Share premium and reserves                              | <u>1,307,466</u>               | <u>445,502</u>                 |
| <b>Equity attributable to the owners of the Company</b> | <b>1,332,839</b>               | 461,437                        |
| Non-controlling interests                               | <u>(899)</u>                   | <u>756,911</u>                 |
| <b>TOTAL EQUITY</b>                                     | <b><u>1,331,940</u></b>        | <u>1,218,348</u>               |
| <b>Non-current liabilities</b>                          |                                |                                |
| Lease liabilities – non-current portion                 | 54                             | 409                            |
| Deferred income   | <u>655</u>                     | <u>1,369</u>                   |
|   | <u>709</u>                     | <u>1,778</u>                   |
| <b>TOTAL EQUITY AND NON-CURRENT LIABILITIES</b>         | <b><u><u>1,332,649</u></u></b> | <b><u><u>1,220,126</u></u></b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2025

### 1 GENERAL INFORMATION

China Silver Group Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 19 July 2012 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 28 December 2012.

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 is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) operates the business of the manufacture, sale and trading of silver ingots, palladium and other non-ferrous metals in the People’s Republic of China (the “**PRC**”).

On 31 December 2025, the Company’s shareholding in Mount Everest Gold Group Company Limited (“**Everest Gold**”) has been diluted from approximately 40.39% to approximately 39.70% upon completion of the placing of shares. This reduction in shareholding constitutes a deemed disposal of the Company’s interest in Everest Gold and its subsidiaries (collectively “**Everest Gold Group**”). As a result, Everest Gold Group ceased to be subsidiaries of the Group and became associates. Its principal activities – the design and sale of gold, silver, colored gemstones, gem-set, and other jewellery products in the PRC will no longer be classified as a revenue segment of the Group as at 31 December 2025. The comparatives of the financial results for the year ended 31 December 2024 have been restated accordingly.

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 Everest Gold Group and a non-wholly-owned subsidiary of the Group) entered into a sale and purchase agreement (the “**Share Purchase Agreement**”) with 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 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 purpose 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 have 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

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

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

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

<sup>3</sup> 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: two segments). Management determines the operating segment based on information reported to the chief operating decision makers (“**CODM**”) (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 manufacturing, sales and trading of silver ingots, palladium and other non-ferrous metals in the PRC (“**Manufacturing segment**”). Accordingly, there is only one operating and reportable segment.

The operations of New Jewellery Retail segment and Fresh Food Retail segment of the Group were 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 operations, which are described in more details in Note 12.

#### (a) **Geographical information**

The Group’s operations are located in the mainland of 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<br>external customers |                         | Non-current assets      |                        |
|-----------------------------|------------------------------------|-------------------------|-------------------------|------------------------|
|                             | 2025<br><i>RMB'000</i>             | 2024<br><i>RMB'000</i>  | 2025<br><i>RMB'000</i>  | 2024<br><i>RMB'000</i> |
|                             |                                    | (Restated)              |                         |                        |
| <b>Continuing operation</b> |                                    |                         |                         |                        |
| The mainland of the PRC     | <b>3,063,300</b>                   | 4,156,144               | <b>1,203,051</b>        | 123,645                |
| Hong Kong                   | —                                  | —                       | <b>544</b>              | 1,123                  |
|                             | <b><u>3,063,300</u></b>            | <b><u>4,156,144</u></b> | <b><u>1,203,595</u></b> | <b><u>124,768</u></b>  |

*Note:* Non-current assets excluded deferred tax assets.

**(b) Information about major customers**

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

|                         | 2025<br><i>RMB'000</i> | 2024<br><i>RMB'000</i> |
|-------------------------|------------------------|------------------------|
| Customer A <sup>#</sup> | <b>1,760,464</b>       | 1,142,134              |
| Customer B <sup>#</sup> | <b><u>864,174</u></b>  | <b><u>993,699</u></b>  |

<sup>#</sup> Revenue from sales of silver ingot.

## 4 REVENUE

### i) Disaggregation of revenue from contracts with customers

|                             | 2025             | 2024             |
|-----------------------------|------------------|------------------|
|                             | <i>RMB'000</i>   | <i>RMB'000</i>   |
|                             |                  | (Restated)       |
| <b>Continuing operation</b> |                  |                  |
| Sales of silver ingots      | <u>3,063,300</u> | <u>4,156,144</u> |

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

### ii) Performance obligations for contracts with customers

The Group sells silver ingots, palladium and other non-ferrous metals directly to customers.

Revenue is recognised when control of the goods has been transferred, being when the goods have been delivered to the customer's specific location. The Group generally requires advance payment from customers before delivery of goods.

Under the Group's standard contract terms, customers have a right to exchange for dissimilar products within 10 days. The Group uses its accumulated historical experience to estimate the number of exchanges on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. A contract liability is recognised for sales in which revenue has yet been recognised. The Group's right to recover the product when customers exercise their right is recognised as a right to returned goods asset and corresponding adjustment to cost of sales.

### iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All contracts with customers for the Group are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## 5 OTHER GAINS AND (LOSSES), NET

|   | <b>2025</b><br><i>RMB'000</i> | 2024<br><i>RMB'000</i><br>(Restated) |
|---|-------------------------------|--------------------------------------|
| <b>Continuing operation</b>                                     |                               |                                      |
| Net exchange gain (loss)  | <b>2,071</b>                  | (2,135)                              |
| Loss on write-off and disposal of property, plant and equipment | <u>–</u>                      | <u>(321)</u>                         |
|   | <b><u>2,071</u></b>           | <b><u>(2,456)</u></b>                |

## 6 INCOME TAX EXPENSE (CREDIT)

|  | <b>2025</b><br><i>RMB'000</i> | 2024<br><i>RMB'000</i><br>(Restated) |
|--|-------------------------------|--------------------------------------|
| <b>Continuing operation</b>                |                               |                                      |
| The PRC Enterprise Income Tax (“EIT”)      |                               |                                      |
| – current year                             | <b>116</b>                    | –                                    |
| – over-provision in respect of prior years | <u>–</u>                      | <u>(2,528)</u>                       |
|  | <b>116</b>                    | (2,528)                              |
| Deferred taxation – current year           | <u><b>214</b></u>             | <u>426</u>                           |
|  | <b><u>330</u></b>             | <b><u>(2,102)</u></b>                |

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:

|   | <b>2025</b>           | 2024           |
|---|-----------------------|----------------|
|   | <b><i>RMB'000</i></b> | <i>RMB'000</i> |
|   |                       | (Restated)     |
| <b>Continuing operation</b>   |                       |                |
| Directors' emoluments   | <b>1,935</b>          | 4,652          |
| Other staff costs:  |                       |                |
| – Salaries and other allowances   | <b>4,254</b>          | 4,145          |
| – Retirement benefit scheme contributions                                 | <b>671</b>            | 762            |
|   | <hr/>                 | <hr/>          |
| Total staff costs   | <b>6,860</b>          | 9,559          |
|   | <hr/>                 | <hr/>          |
| Auditor's remuneration  | <b>1,052</b>          | 1,062          |
| Cost of inventories recognised as expenses<br>(included in cost of sales) | <b>2,991,131</b>      | 4,093,459      |
| Amortisation of intangible assets   | <b>362</b>            | 362            |
| Depreciation of property, plant and equipment                             | <b>9,931</b>          | 11,079         |
| Depreciation of right-of-use assets                                       | <b>1,085</b>          | 1,074          |
| Share-based payment expenses  | <b>28,389</b>         | –              |
|   | <hr/> <hr/>           | <hr/> <hr/>    |

## 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 PER SHARE

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

|   | 2025                    | 2024<br>(Restated)      |
|---|-------------------------|-------------------------|
| <b>Profit (loss) (RMB'000)</b>  |                         |                         |
| Profit for the year attributable to the owners of the Company from continuing operation for the purposes of basic and diluted earnings per share                  | 12,617                  | 18,730                  |
| Profit (loss) for the year attributable to the owners of the Company from discontinued operations for the purposes of basic and diluted earnings (loss) per share | <u>573,712</u>          | <u>(8,764)</u>          |
| Profit (loss) for the year attributable to the owners of the Company for the purposes of basic and diluted earnings (loss) per share                              | <u><u>586,329</u></u>   | <u><u>9,966</u></u>     |
| <b>Number of shares (in thousand)</b>   |                         |                         |
| Weighted average number of ordinary shares in issue for the purposes of basic and diluted earnings per share  | <u><u>2,390,437</u></u> | <u><u>1,954,081</u></u> |
| <b>Basic and diluted earnings (loss) per share (RMB)</b>  |                         |                         |
| From continuing operation attributable to the owners of the Company   | 0.005                   | 0.010                   |
| From discontinued operation   | <u>0.240</u>            | <u>(0.005)</u>          |
| Total basic and diluted earnings per share attributable to the owners of the Company  | <u><u>0.245</u></u>     | <u><u>0.005</u></u>     |

During the year ended 31 December 2025, the Company issued 234,212,000 ordinary shares to the trust for the purposes of the share award scheme. These shares were treated as treasury shares and excluded from the weighted average number of ordinary shares outstanding for the period.

As at 31 December 2025, the Group had potential dilutive shares in connection with its share award scheme. The share award could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per shares because they are anti-dilutive for the period. As at 31 December 2024, the Group had no share award scheme in place.

During years ended 31 December 2024 and 2025, the computation of diluted earnings per share does not assume the exercise of the Company's outstanding options because the effect of exercise of these options was anti-dilutive. All of the Company's outstanding share options lapsed during the year ended 31 December 2025.

## 10 TRADE AND OTHER RECEIVABLES

|  | <b>2025</b>           | 2024                  |
|--|-----------------------|-----------------------|
|  | <b><i>RMB'000</i></b> | <i>RMB'000</i>        |
| Trade receivables for contracts with customers ( <i>Note i</i> )           | –                     | 73,601                |
| Less: allowance for expected credit losses in respect of trade receivables | –                     | (18,462)              |
|  | <u>–</u>              | <u>55,139</u>         |
| Other receivables, deposits and prepayments                                | <b>1,844</b>          | 26,864                |
| Prepayments to suppliers ( <i>Note ii</i> )                                | –                     | 51,015                |
| Value-added tax (“VAT”) recoverable  | <b>273</b>            | 6,572                 |
| Refundable rental deposits   | <b>156</b>            | 952                   |
|  | <b><u>2,273</u></b>   | <b><u>140,542</u></b> |

### *Notes:*

- (i) The Group generally requires advance payment from its manufacturing customers before delivery of goods. As a result, no outstanding trade receivables arise from the manufacturing operation as at 31 December 2025.
- (ii) The balance represents prepayments for purchase of inventories under the Group's Manufacturing and New Jewellery Retail segments as at 31 December 2024.

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

|               | <b>2025</b>           | 2024                 |
|---------------|-----------------------|----------------------|
|               | <b><i>RMB'000</i></b> | <i>RMB'000</i>       |
| 0 to 30 days  | –                     | 45,660               |
| 31 to 60 days | –                     | 744                  |
| 61 to 90 days | –                     | 305                  |
| Over 90 days  | –                     | 8,430                |
|               | <u>–</u>              | <u>55,139</u>        |
|               | <b><u>–</u></b>       | <b><u>55,139</u></b> |

As at 31 December 2024, included in the Group's trade receivables, net of allowance of credit losses, were debtors with an aggregate carrying amount of RMB9,582,000 which were past due as at the reporting date. Out of the past due balances, 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 INVESTMENTS IN ASSOCIATES

|                                   | <b>2025</b>             | 2024            |
|-----------------------------------|-------------------------|-----------------|
|                                   | <b><i>RMB'000</i></b>   | <i>RMB'000</i>  |
| Cost of investments               | <b>1,105,751</b>        | –               |
| Share of post-acquisition results | –                       | –               |
|                                   | <u>1,105,751</u>        | <u>–</u>        |
|                                   | <b><u>1,105,751</u></b> | <b><u>–</u></b> |

Details of each of the Group’s associates at the end of the reporting period are as follows:

| Name of entities  | Place of incorporation/<br>establishment | Place of operation | Proportion of ownership interest held by the Group |      | Principal activities  |
|---|--|--------------------|--|------|---|
|   |  |                    | 2025   | 2024 |   |
| Everest Gold Group<br>(Note i)  | The Cayman Islands                       | The PRC            | 39.7%  | –    | Design and sale of gold, silver, colored gemstones, gem-set, and other jewellery products |
| 江西藝鼎貿易有限公司<br>Jiangxi Yiding Trading<br>Company Limited*<br>(“ <b>Jiangxi Yiding</b> ”) (Note ii)                                       | The PRC                                  | The PRC            | 20.0%  | –    | Investment holding  |
| 西藏日喀則市華冶礦業<br>開發有限責任公司<br>Xizang Shigatse Huaye<br>Mining Development<br>Company Limited*<br>(“ <b>Xizang Shigatse</b> ”)<br>(Note iii) | The PRC                                  | The PRC            | 20.0%  | –    | Non-ferrous Metal Mining<br>non-ferrous metals for<br>processing and sales                |

\* *The English name is for identification purpose only.*

*Notes:*

- i) Everest Gold and its subsidiaries became associates of the Group with effect from 31 December 2025. The fair value of the equity interest retained in the Everest Gold Group on the date when control was lost amounting to HK\$1,220,000,000 (equivalent to RMB1,103,856,000) is recognised as the deemed cost of investments in associates. See note 12(i) for details.

Comprehensive information on Everest Gold Group (stock code: 1815.HK) is available in the annual report published on the website of the Stock Exchange.

- ii) On 18 July 2025, the Group completed the acquisition of 55% equity interest (20% is directly owned by the Group’s wholly-owned subsidiary, while 35% is indirectly owned through Everest Gold Group) in Jiangxi Yiding Trading Company Limited and its subsidiary (“**Yiding Group**”). Upon the completion of the deemed disposal of Everest Gold Group, the Company’s indirect interest in Jiangxi Yiding has been reduced from 55% to 20% and the interests is classified as investments in associates. See notes 12(ii) and 15.1(a) for details.
- iii) Xizang Shigatse is a wholly-owned subsidiary of Jiangxi Yiding.

**(a) Everest Gold Group**

|  | <b>2025</b>             |
|--|-------------------------|
|  | <i>RMB’000</i>          |
| Cost of investments in associates                        | 1,018,034               |
| Goodwill at date of deemed acquisition of the associates | <u>85,822</u>           |
| Fair value of the investments                            | <u><u>1,103,856</u></u> |

Summarised financial information in respect of Everest Gold Group, representing amounts shown in its financial statements prepared in conformity with IFRS Accounting Standards is as below:

|   | <b>2025</b>             |
|---|-------------------------|
|   | <i>RMB’000</i>          |
| Non-current assets                                      | 144,949                 |
| Current assets  | 1,733,748               |
| Current liabilities                                     | <u>(367,144)</u>        |
| Net assets attributable to owners of Everest Gold Group | <u><u>1,511,553</u></u> |

Reconciliation of the above summarised financial information to the carrying amount of the investments in associates recognised in the consolidated financial statements:

|   | <b>2025</b>             |
|---|-------------------------|
|   | <i>RMB'000</i>          |
| Net assets attributable to owners of the Everest Gold Group | 1,511,553               |
| Fair value adjustment for inventories                       | <u>1,052,765</u>        |
|   | 2,564,318               |
| Proportion of the Group's equity interest in the associates | <u>39.70%</u>           |
| The Group's share of net assets                             | <u><u>1,018,034</u></u> |

As Everest Gold Group ceased to be subsidiaries of the Group and became associates on 31 December 2025 which is the financial year-end date, the Group did not share any profit or loss of Everest Gold Group for the year ended 31 December 2025.

**(b) Aggregate information of associates that are not individually material**

|  | <b>2025</b>         |
|--|---------------------|
|  | <i>RMB'000</i>      |
| The Group's share of profit  | <u><u>–</u></u>     |
| Aggregate carrying amount of the Group's interests in these associates | <u><u>1,895</u></u> |

## 12 DISCONTINUED OPERATIONS/DEEMED DISPOSAL OF SUBSIDIARIES

|  | <b>2025</b>    | 2024            |
|--|----------------|-----------------|
|  | <b>RMB'000</b> | <b>RMB'000</b>  |
|  |                | (Restated)      |
| Profit for the year from Everest Gold Group <i>(Note 12(i))</i>        | <b>60,189</b>  | 3,677           |
| Loss for the period from Yiding Group <i>(Note 12(ii))</i>             | <b>(525)</b>   | –               |
| Loss for the period/year from Nongmuren Group<br><i>(Note 12(iii))</i> | –              | (44,609)        |
| Gain on deemed disposal of Everest Gold Group <i>(Note 12(i))</i>      | <b>537,218</b> | –               |
| Gain on deemed disposal of Yiding Group <i>(Note 12(ii))</i>           | –              | –               |
| Gain on disposal of Nongmuren Group <i>(Note 12(iii))</i>              | <b>11,465</b>  | –               |
|  | <hr/>          | <hr/>           |
| Profit (loss) for the year from discontinued operations                | <b>608,347</b> | <b>(40,932)</b> |
|  | <hr/> <hr/>    | <hr/> <hr/>     |

### (i) Deemed disposal of Everest Gold Group

After considered the change in the Group's effective equity interest in Everest Gold Group, the directors of the Company considered the Group can no longer exercise control over Everest Gold Group since 31 December 2025. As the Everest Gold Group is mainly engaged in the design and sale of gold, silver, colored gemstones, gem-set, and other jewellery products, the directors of the Company considered the operation of the Everest Gold Group to be a discontinued operation. Details of the discontinued operation are set out below. Intra-group adjustment has been adjusted to the financial performance and cash flow information of the discontinued operation.

The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the operation in the Everest Gold Group as a discontinued operation. Financial information related to the new jewellery retail segment for the years ended 31 December 2025 and 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

|   | <b>2025</b>    | 2024           |
|---|----------------|----------------|
|   | <b>RMB'000</b> | <b>RMB'000</b> |
| Profit for the year from discontinued operation                   | <b>60,189</b>  | 3,677          |
| Gain on deemed disposal of subsidiaries<br><i>(Note 12(i)(b))</i> | <b>537,218</b> | –              |
|   | <hr/>          | <hr/>          |
| Profit for the year from discontinued<br>operation                | <b>597,407</b> | <b>3,677</b>   |
|   | <hr/> <hr/>    | <hr/> <hr/>    |

|  | <b>2025</b>           | 2024           |
|--|-----------------------|----------------|
|  | <b><i>RMB'000</i></b> | <i>RMB'000</i> |
| Revenue  | <b>486,969</b>        | 157,570        |
| Cost of sales  | <b>(276,286)</b>      | (109,162)      |
| Gross profit   | <b>210,683</b>        | 48,408         |
| Other income, net  | <b>978</b>            | 2,806          |
| Other gains and (losses), net  | <b>251</b>            | (89)           |
| Selling and distribution expenses  | <b>(22,685)</b>       | (15,482)       |
| Administrative expenses  | <b>(86,275)</b>       | (23,015)       |
| Reversal of (provision for) impairment loss<br>under expected credit loss model, net | <b>152</b>            | (2,301)        |
| Share of losses of associates  | <b>(184)</b>          | –              |
| Finance costs  | <b>(4,534)</b>        | (5,407)        |
| <b>Profit before income tax</b>  | <b>98,386</b>         | 4,920          |
| Income tax expense   | <b>(38,381)</b>       | (1,243)        |
| <b>Profit for the year from<br/>discontinued operation</b>                           | <b><u>60,005</u></b>  | <u>3,677</u>   |
| <b>Profit and total comprehensive income<br/>for the year attributable to:</b>       |                       |                |
| Owners of the Company  | <b>24,899</b>         | 4,275          |
| Non-controlling interests  | <b>35,106</b>         | (598)          |
|  | <b><u>60,005</u></b>  | <u>3,677</u>   |

|  | <b>2025</b>           | 2024           |
|--|-----------------------|----------------|
|  | <b><i>RMB'000</i></b> | <i>RMB'000</i> |
| <b>Profit for the year from discontinued operation includes the following:</b> |                       |                |
| Other staff costs:   |                       |                |
| – Salaries and other allowances  | <b>14,189</b>         | 12,981         |
| – Retirement benefit scheme contributions                                      | <b>1,391</b>          | 1,319          |
|  | <hr/>                 | <hr/>          |
| Total staff costs  | <b>15,580</b>         | 14,300         |
| Auditor's remuneration   | <b>1,052</b>          | 1,062          |
| Cost of inventories recognised as expenses<br>(including in cost of sales)     | <b>276,286</b>        | 109,162        |
| Depreciation of property, plant and equipment                                  | <b>3,583</b>          | 3,495          |
| Depreciation of right-of-use assets  | <b>403</b>            | 1,698          |
| Share-based payment expenses   | <b>56,461</b>         | –              |
| Write-off of property, plant and equipment                                     | <b>2,718</b>          | –              |
| Expenses relating to short-term leases   | <b>1,545</b>          | 2,304          |
|  | <hr/> <hr/>           | <hr/> <hr/>    |
| <b>Cash flows from discontinued operation:</b>                                 |                       |                |
| Net cash inflows from operating activities                                     | <b>184,235</b>        | 33,665         |
| Net cash outflows from investing activities                                    | <b>(74,081)</b>       | (21,960)       |
| Net cash inflows (outflows) from financing activities                          | <b>68,237</b>         | (1,305)        |
|  | <hr/>                 | <hr/>          |
| Net increase in cash and cash equivalent<br>in the discontinued operation      | <b>178,391</b>        | 10,400         |
|  | <hr/> <hr/>           | <hr/> <hr/>    |

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

RMB'000

**Deemed consideration:**

|   |           |
|---|-----------|
| Fair value of the equity interest retained in the Everest Gold Group, based on share price of Everest Gold Group at the date of deemed disposal | 1,103,856 |
|---|-----------|

**The net assets disposed of are as follows:**

|  |                  |
|--|------------------|
| Property, plant and equipment            | 88,809           |
| Right-of-use assets                      | 2,911            |
| Intangible assets                        | 46,352           |
| Deferred tax assets                      | 3,561            |
| Investments in associates                | 3,316            |
| Inventories                              | 973,909          |
| Trade and other receivables              | 129,815          |
| Amounts due from related companies       | 18,494           |
| Amounts due from associates              | 3,375            |
| Bank balances and cash                   | 608,155          |
| Trade and other payables                 | (201,393)        |
| Lease liabilities                        | (197)            |
| Contract liabilities                     | (3,932)          |
| Amounts due to related companies         | (8,495)          |
| Amounts due to non-controlling interests | (10,264)         |
| Income tax payable                       | (26,233)         |
| Bank borrowings                          | (116,630)        |
|  | <u>1,511,553</u> |

**Gain on deemed disposal of subsidiaries:**

|   |                  |
|---|------------------|
| Net assets disposed   | (1,511,553)      |
| Non-controlling interests   | 944,907          |
| Reclassification of cumulative translation reserve upon deemed disposal to profit of loss   | 8                |
| Fair value of the equity interest retained in Everest Gold Group, based on share price of Everest Gold Group at the date of deemed disposal | <u>1,103,856</u> |

|  |                |
|--|----------------|
| Gain on deemed disposal of subsidiaries ( <i>Note 12(i)(a)</i> ) | <u>537,218</u> |
|--|----------------|

Analysis of net cash flow in respect of the deemed disposal of subsidiaries is as follow:

*RMB'000*

**Net cash outflow arising on deemed disposal:**

Cash and cash equivalents disposed of 608,155

**(ii) Disposal of Yiding Group**

On 18 July 2025, the Group completed the acquisition of 55% equity interest (20% is directly owned by the Group's wholly-owned subsidiary, while 35% is indirectly owned through Everest Gold Group) in Jiangxi Yiding, which became a non-wholly-owned subsidiary of the Group. Xizang Shigatse is a wholly-owned subsidiary of Jiangxi Yiding and is primarily engaged in lead and zinc mine exploration. See note 15.1(a) for details.

Following the deemed disposal of Everest Gold Group, the investment in Jiangxi Yiding changed from a non-wholly-owned subsidiary to an associate, as the Group's equity interest decreased from 55% to 20% ("**Disposal Group**").

(a) **Financial performance and cash flow information**

|   | <b>18 July 2025<br/>to 31 December<br/>2025<br/>RMB'000</b> |
|---|---|
| Loss for the period from Disposal Group   | (525)   |
| Gain on deemed disposal of subsidiaries ( <i>Note 12(ii)(b)</i> )               | <u>—</u>  |
| Loss for the period from Disposal Group   | <u><u>(525)</u></u>   |
| Administrative expenses   | <u>(525)</u>  |
| <b>Loss before income tax</b>   | (525)   |
| Income tax expense  | <u>—</u>  |
| <b>Loss for the period from Disposal Group</b>                                  | <u><u>(525)</u></u>   |
| <b>Loss and total comprehensive expense for the period<br/>attributable to:</b> |   |
| Owners of the Company   | (289)   |
| Non-controlling interests   | <u>(236)</u>  |
|   | <u><u>(525)</u></u>   |
| <b>Loss for the period from Disposal Group includes the following:</b>          |   |
| Depreciation of property, plant and equipment                                   | <u><u>17</u></u>  |
| <b>Cash flows from Disposal Group:</b>  |   |
| Net cash inflows from operating activities                                      | 6,980   |
| Net cash outflows from investing activities                                     | (9,090)   |
| Net cash inflows from financing activities                                      | <u>2,119</u>  |
| Net increase in cash and cash equivalents in the Disposal Group                 | <u><u>9</u></u>   |

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

RMB'000

**Deemed consideration:**

|  |       |
|--|-------|
| Fair value of the equity interest retained in the Yiding Group | 1,895 |
|--|-------|

**The net assets disposed of are as follows:**

|                                  |              |
|----------------------------------|--------------|
| Property, plant and equipment    | 143          |
| Intangible assets                | 18,959       |
| Trade and other receivables      | 2,800        |
| Bank balances and cash           | 36           |
| Trade and other payables         | (9,088)      |
| Amounts due to related companies | (3,375)      |
|                                  | <u>9,475</u> |

**Gain on deemed disposal of subsidiaries:**

|  |          |
|--|----------|
| Net assets disposed  | (9,475)  |
| Non-controlling interests                                  | 4,264    |
| Interest held by Everest Gold Group                        | 3,316    |
| Fair value of the equity interest retained in Yiding Group | 1,895    |
|  | <u>–</u> |

(iii) **Disposal of Nongmuren Group**

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**”) 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**

|   | <b>1 January<br/>2025 to<br/>13 January 2025<br/>RMB'000</b> | 31 December<br>2024<br>RMB'000 |
|---|--|--------------------------------|
| Loss for the period/year from discontinued operation          | –  | (44,609)                       |
| Gain on disposal of subsidiaries<br>(Note 12(iii)(b))         | <u>11,465</u>  | <u>–</u>                       |
| Profit (loss) for the period/year from discontinued operation | <u><u>11,465</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>           |
| <b>Loss before income tax</b>                                       | (44,803)               |
| Income tax credit   | <u>194</u>             |
| <b>Loss for the year from discontinued operation</b>                | <u><u>(44,609)</u></u> |
| <b>Loss and total comprehensive expense</b>                         |                        |
| <b>for the year attributable to:</b>                                |                        |
| Owners of the Company   | (26,891)               |
| Non-controlling interests   | <u>(17,718)</u>        |
|   | <u><u>(44,609)</u></u> |

2024  
RMB'000

**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<br>(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> |
|-------------------------------------|--------------|

**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 equivalent in the discontinued operation | <u>(146)</u> |
|--|--------------|

The following assets and liabilities were classified as held in relation to the discontinued operation as at 31 December 2024:

|  | 2024                        |
|--|-----------------------------|
|  | <i>RMB'000</i>              |
| <b>Assets classified as held for sale</b>                                      |                             |
| Property, plant and equipment  | 407                         |
| Right-of-use assets  | 1,362                       |
| Goodwill   | 3,972                       |
| Intangible assets  | 4,647                       |
| Investments in associates  | 12                          |
| Inventories  | 556                         |
| Trade and other receivables  | 18,460                      |
| Bank balances and cash   | <u>474</u>                  |
| <b>Total assets of Disposal Group held for sale</b>                            | <b><u><u>29,890</u></u></b> |
| <b>Liabilities directly associated with assets classified as held for sale</b> |                             |
| 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>                |
| <b>Total liabilities of Disposal Group held for sale</b>                       | <b><u><u>97,732</u></u></b> |

*(b) Details of the disposal of subsidiaries*

|                                | <i>RMB'000</i>    |
|--------------------------------|-------------------|
| <b>Consideration received:</b> |                   |
| Cash consideration             | <u><u>300</u></u> |

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                  |
| Investments 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> |

*RMB'000*

**Gain on disposal of subsidiaries:**

|   |                      |
|---|----------------------|
| Cash consideration received                                 | 300                  |
| Net liabilities disposed of                                 | 67,842               |
| Non-controlling interests                                   | <u>(56,677)</u>      |
| Gain on disposal of subsidiaries ( <i>Note 12(iii)(a)</i> ) | <u><u>11,465</u></u> |

Analysis of net cash flow in respect of the disposal of subsidiaries is as follow:

*RMB'000*

|                                    |                     |
|------------------------------------|---------------------|
| <b>Cash consideration received</b> | 300                 |
| Cash and cash balances disposed of | <u>(474)</u>        |
| Net cash outflow                   | <u><u>(174)</u></u> |

### 13 TRADE, BILLS AND OTHER PAYABLES

|  | 2025           | 2024           |
|--|----------------|----------------|
|  | <i>RMB'000</i> | <i>RMB'000</i> |
| Trade payables   | 6,722          | 19,609         |
| Other payables and accrued expenses                                  | 39,257         | 72,604         |
| Bills payables ( <i>Note i</i> )                                     | 279,000        | 79,600         |
| VAT and other tax payables   | 615            | 18,974         |
| Provision for termination of assignment contracts ( <i>Note ii</i> ) | –              | 7,413          |
|  | <u>325,594</u> | <u>198,200</u> |

*Notes:*

- i) As at 31 December 2025, bills payables amounting to RMB279,000,000 (2024: RMB79,600,000) are secured by pledged bank deposits of RMB239,500,000 (2024: RMB39,800,000). All bills payables are issued to suppliers of the Manufacturing segment.
- 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 (the “**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 2024, 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.

As at 31 December 2025, the balance has been ceased to be consolidated into the Group's financial statement following the completion of deemed disposal.

*\* 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:

|               | <b>2025</b>           | 2024           |
|---------------|-----------------------|----------------|
|               | <b><i>RMB'000</i></b> | <i>RMB'000</i> |
| 0 to 30 days  | <b>6,722</b>          | 4,300          |
| 31 to 60 days | –                     | 9              |
| 61 to 90 days | –                     | 14             |
| Over 90 days  | –                     | 15,286         |
|               | <b><u>6,722</u></b>   | <u>19,609</u>  |

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

## 14 BANK AND OTHER BORROWINGS

|   | <b>2025</b>    | 2024           |
|---|----------------|----------------|
|   | <i>RMB'000</i> | <i>RMB'000</i> |
| <i>Secured</i>  |                |                |
| Bank borrowings at fixed rates ( <i>note i</i> )  | <b>73,500</b>  | 136,000        |
| Bank borrowings at floating rates ( <i>note i</i> )   | <b>36,500</b>  | 119,921        |
| <i>Unsecured</i>  |                |                |
| Other borrowings at fixed rates ( <i>note ii</i> )  | —              | 145,000        |
|   | <b>110,000</b> | 400,921        |
| Carrying amount of bank borrowings that are repayable within one year and contain a repayment on demand clause  | <b>40,000</b>  | —              |
| Carrying amount of bank borrowings that are repayable within one year and without a repayment on demand clause  | <b>70,000</b>  | 255,921        |
| Carrying amount of other borrowings that are repayable within one year and without a repayment on demand clause | —              | 145,000        |
| Total amounts shown under current liabilities   | <b>110,000</b> | 400,921        |

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

|                                   | <b>2025</b>  | 2024  |
|-----------------------------------|--------------|-------|
| Effective interest rate per annum | <b>4.98%</b> | 6.63% |

The total banking facility granted to the Group amounted to RMB142,000,000 (2024: RMB300,700,000) of which RMB110,000,000 (2024: RMB255,921,000) were utilised.

*Notes:*

- (i) As at 31 December 2025, bank borrowings are secured and/or guaranteed by (i) leasehold land and building with aggregate carrying amount of RMB14,721,000 and RMB46,665,000 respectively; (ii) personal guarantee held by a director of the Company, Mr. Chen Wantian and his spouse; (iii) corporate guarantee and certain assets of a supplier and independent third parties and (iv) personal guarantee from directors of subsidiaries (2024: (i) leasehold land and building with aggregate carrying amount of RMB15,155,000 and RMB49,948,000 respectively; (ii) personal guarantee and properties held by a director of the Company, Mr. Chen Wantian and his spouse; (iii) corporate guarantee and certain assets of a supplier and independent third parties and (iv) personal guarantee from directors of subsidiaries). Secured bank borrowings of RMB73,500,000 as at 31 December 2025 (2024: RMB136,000,000) carry interest at fixed rates, ranging from 4.2% to 5.61% (2024: from 4.25% to 5.61%) per annum and RMB36,500,000 (2024: RMB119,921,000) carry interest at loan prime rate plus from 0.78% to 1.70% (2024: from 1.85% to 2.80%) per annum.
- ii) Unsecured other borrowings of RMB145,000,000 as at 31 December 2024 carry interest at fixed rates, ranging from 10.00% to 10.95% per annum.

## 15 ACQUISITION OF SUBSIDIARIES ACCOUNTED FOR AS AN ASSET ACQUISITION

### 15.1 For the year ended 31 December 2025

- (a) On 17 June 2025, Jiangxi Fuhui Lithium Company Limited\* (江西富輝鋰業有限公司), an indirect wholly-owned subsidiary of the Group and Jiangxi Jiying Company Limited\* (江西吉銀實業有限公司), an indirect non-wholly-owned subsidiary of the Group (collectively called the “**Purchasers**”), 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 Purchasers agreed to purchase, 20% and 35% equity interest in Jiangxi Yiding Trading Co., Ltd.\* (江西藝鼎貿易有限公司)(the “**Target Company**” or “**Jiangxi Yiding**”) for a total consideration of RMB2,000,000 and RMB3,500,000 respectively. 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 acquisition was undertaken to obtain a motor vehicle and a property to secure exploration rights for a lead and zinc mine 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><b>RMB’000</b></i> |
|---|-----------------------|
| Property, plant and equipment                         | 160                   |
| Exploration right                                     | 9,868                 |
| Other receivables                                     | 1,290                 |
| Bank balances and cash                                | 25                    |
| Other payables  | (1,343)               |
| A non-controlling interest                            | <u>(4,500)</u>        |
| <br>  |                       |
| Purchase consideration                                | 5,500                 |
| Less: cash and cash equivalent balances acquired      | <u>(25)</u>           |
| <br>  |                       |
| Net cash outflow on acquisition of the Target Company | <u><u>5,475</u></u>   |

Immediately after the completion of the deemed disposal, the Company’s indirect interest in Jiangxi Yiding has been reduced from 55% to 20% and the financial results of Jiangxi Yiding ceased to be consolidated into the Group’s financial statements and recognised as “Investments in associates” (Note 11) in the consolidated financial statements.

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

Immediately after the completion of the deemed disposal of Everest Gold Group, the Company's indirect interest in the Target Companies has been reduced from 40.39% to 39.7% and the assets ceased to be consolidated into the Group's financial statements.

## **15.2 For the year ended 31 December 2024**

- (a) On 15 August 2024, 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 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 obtain a property for use as staff quarters and to secure exploration rights for a lead and zinc mine 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:

|   | <b><i>RMB'000</i></b> |
|---|-----------------------|
| 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>        |
| <br>  |                       |
| Purchase consideration                                | 2,550                 |
| Less: cash and cash equivalent balances acquired      | <u>(63)</u>           |
| <br>  |                       |
| Net cash outflow on acquisition of the Target Company | <u><u>2,487</u></u>   |

\* *The English name is for identification only.*

Immediately after the completion of the deemed disposal of Everest Gold Group, the assets ceased to be consolidated into the Group's financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the year ended 31 December 2025, the Group recorded revenue of approximately RMB3,063.3 million (2024: RMB4,156.1 million), representing a decrease of approximately 26.3% from that of 2024. This decline was primarily attributable to the overall reduction in demand for silver ingots, driven by a weaker economic environment, reduction in demand across various silver applications amid significantly elevated silver prices throughout the year and intensified efforts by end-users to optimize consumption or pursue alternatives in response to cost pressures.

The profit attributable to the owners of the Company amounted to approximately RMB586.3 million for the year ended 31 December 2025 (2024: RMB10.0 million) representing an increase of approximately RMB576.3 million, or 5,783.3%. This increase was primarily attributable to the following factors:

- (i) In respect of the Group's Manufacturing segment, although the sales volume and revenue for 2025 had reduced, the gross profit and net profit margin had increased due to the increase in silver price in 2025 compared to 2024, resulting in an increase in gross profit and net profit for this segment for 2025;
- (ii) The New Jewellery Retail segment of the Group (operated by Everest Gold Group, a former non-wholly-owned subsidiary of the Company which has ceased to be a subsidiary on 31 December 2025) recorded a significant increase in the revenue from sales of gold and silver products in 2025. As most of the gold products sold by this segment in 2025 were inventories with relatively low procurement costs, coupled with the significant increase in gold prices in 2025, the gross profit margin of this segment increased substantially, leading to an increase in overall gross profit. Accordingly, the net profit of this segment for 2025 recorded a significant increase as compared with that for 2024;

- (iii) The Company completed the deemed disposal of Everest Gold Group, and generated a gain of approximately RMB537.2 million for the Group; and
- (iv) The Group completed the disposal of its Fresh Food Retail segment (originally operated by the Company's former non-wholly-owned subsidiary, Everest Gold Group), and generated a gain of approximately RMB11.5 million (upon distribution of relevant gain to non-controlling interests) for the Group.

The aforementioned factors were partially offset by the following factors:

- (v) The Group recorded expenses of approximately RMB28.4 million (carried at the fair value of the granted share awards based on the closing price on the date of grant) in 2025 due to the grant of share awards by the Company to its employees; and
- (vi) The Group recorded expenses of approximately RMB22.8 million (carried at the fair value of the granted share options and upon distribution of relevant expenses to non-controlling interests) in 2025 due to the grant of share options by Everest Gold Group to its employees.

During the year, the Group underwent several business realignment initiatives, details of which are set out below:

- (i) As disclosed in the announcements jointly issued by the Company and Everest Gold Group dated 5 November 2024 and 15 January 2025, various factors unfavorable to the operation and development of the Jiangsu Nongmuren platform (i.e. the Fresh Food Retail segment) gradually emerged since the Group's investment in the Nongmuren Group in 2021. The Group entered into an equity transfer agreement to dispose of the Jiangsu Nongmuren platform and the disposal was completed on 13 January 2025;

- (ii) As disclosed in the announcements dated 17 June 2025 and 26 June 2025, the Company's subsidiary and Everest Gold Group jointly entered into an equity transfer agreement to acquire 55% of Jiangxi Yiding Trading Co., Ltd.\* (江西藝鼎貿易有限公司) (“**Jiangxi Yiding**”) which holds 100% equity interests 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 wholly-owned subsidiary of the Company and a wholly-owned subsidiary of the Company's former non-wholly-owned subsidiary, Everest Gold Group agreed to hold 20% and 35% equity interests in Jiangxi Yiding respectively. The acquisition was completed on 18 July 2025;
- (iii) As disclosed in the announcement dated 31 December 2025, the Company completed the deemed disposal of its equity interest in Everest Gold Group on 31 December 2025. As a result of the transaction, Everest Gold Group ceased to be a subsidiary of the Company and became an associate of the Company. The Group ceased to consolidate Everest Gold Group and instead recognised its retained interest in Everest Gold Group as investments in associates at fair value. Following the deconsolidation, the Group continues to maintain exposure to gold products and mining through such retained interests in Everest Gold Group.

These business realignment initiatives were undertaken pursuant to the Company's strategic decision to focus resources on its core business of manufacturing silver ingots and other precious metals. While retaining meaningful exposure to gold-related activities through its associate interest, the restructuring enabled the Group to direct its resources and operational focus toward its principal activities in the manufacturing and refining of silver ingots and other precious metals as well as access to upstream mining resources through its direct and indirect equity interests in Xizang Shigatse. The deconsolidation of Everest Gold Group from the Group has streamlined the Group's corporate and management structure, reduced overlapping administrative functions, and facilitated more targeted operational oversight. These measures are expected to enhance operational efficiency, improve cost management, and support more effective allocation of capital and management attention to the core silver-related operations, thereby contributing to greater operational resilience and long-term value creation for shareholders.

During the year, the Group adopted following equity financing approaches to raise funds in order to meeting the funding needs associated with its manufacturing and mining activities and reduce reliance on debt financing or internal cash reserves:

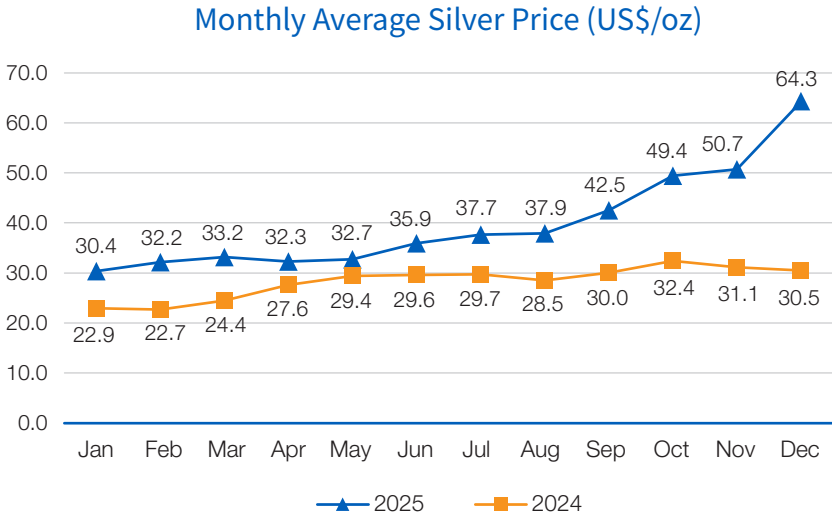
- (i) As disclosed in the announcements dated 20 January 2025 and 28 January 2025, the Company completed the loan capitalisation of two outstanding loans (Shanghai Ougen and Shanghai Qimao) by allotting and issuing an aggregate of 388,044,853 new shares under the general mandate to Journey Grace and Medal Chains at HK\$0.252 per share. This non-cash transaction fully offset the loans (equivalent to approximately HK\$97.8 million in principal and interest), reduced debt liabilities without cash outflow, and enhanced the balance sheet.
- (ii) As disclosed in the announcement dated 14 July 2025, the Company entered into eight subscription agreements with eight independent investors on 14 July 2025, pursuant to which the Company agreed to allot and issue, and the respective subscribers agreed to subscribe for, an aggregate of 460,000,000 shares at a subscription price of HK\$0.45 per share under the general mandate (the “**2025 Share Subscription**”). As further disclosed in the Company’s announcement dated 22 January 2026, the allotment and issue of all the subscription shares have been completed. The 2025 Share Subscription raised gross proceeds of approximately HK\$207.0 million, with net proceeds of approximately HK\$206.5 million after deduction of all relevant expenses.

## **Manufacturing Segment**

The Group’s Manufacturing segment focuses on the manufacturing of high-grade silver ingots for industrial and trading purposes and is one of the leading silver producers in the PRC. Meanwhile, the Group applies a proprietary production model to manufacture high quality silver ingots, palladium and the metal by-products derived therefrom.

For the year ended 31 December 2025, the Group’s Manufacturing segment generated external sales of approximately RMB3,063.3 million, representing a decrease of approximately 26.3% as compared to approximately RMB4,156.1 million for the year ended 31 December 2024. This decline was primarily attributable to an overall reduction in demand for silver ingots, driven by reduction in demand across various silver applications amid significantly elevated silver prices throughout the year and intensified efforts by end-users to optimize consumption or pursue alternatives in response to cost pressures. All revenue was generated from sales of silver ingots for 2025 and 2024. In contrast, segment profit rose by approximately 32.4%, from approximately RMB49.2 million in 2024 to approximately RMB65.1 million in 2025. This improvement was driven principally by the sustained rise in silver prices throughout the year, as illustrated by the graph below, which directly enhanced the segment’s gross profit margin compared with the previous year through higher average selling prices. The enhanced margin reflects the segment’s ability to benefit from these elevated prices, effectively offsetting the impact of lower sales volumes.

The graph below shows the change in international silver price quoted on the London Bullion Market Association from January 2024 to December 2025:



## **New Jewellery Retail Segment operated under Everest Gold Group (classified as discontinued operation)**

In 2025, the strong upward trend in gold prices has not dampened buying enthusiasm, instead, it has reinforced investors' confidence in gold's role as a safe-haven asset and a store of value. 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 the above, the New Jewellery Retail segment recorded sales of approximately RMB487.0 million for the year ended 31 December 2025, representing a significant increase of approximately 209.0% as compared to approximately RMB157.6 million in 2024. Along with the strong growth in revenue, the New Jewellery Retail segment recorded a significant improvement in profitability, reaching a segment profit of approximately RMB102.7 million for the year ended 31 December 2025 compared to approximately RMB9.9 million in 2024. The substantial increase in segment profit was primarily driven by the active sale of existing inventories, notably existing low-cost gold inventories. This positive impact was partially offset by share-based payment expenses of approximately RMB56.5 million incurred by Everest Gold Group during the year.

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.

## ***Online Sales Channels***

In 2025, 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 regions with the richest resources in the PRC, and is particularly renowned for its abundant reserves of copper, gold and other non-ferrous metals. Its superior geological conditions and enormous undeveloped 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, Everest Gold Group completed acquisition of 51% equity interest in Jiangxi Letong New Materials Co., Ltd. ("**Jiangxi Letong**") which 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 km<sup>2</sup> in Lhoka, Tibet, China (the "**Lhoka Exploration Area**").

During the year, the Group was pleased to announce the results of the completion of the 2025 General Exploration Report and the Review Opinion. According to the General Exploration Report and the Review Opinion, Tibet Longtianyong discovered certain gold mineralized zones in Lhoka Exploration Area. 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 the Lhoka Exploration Area 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, by the end of March 2025, the exploration phase of the mineral exploration right had been upgraded from “general exploration” to “detailed exploration”. The area of exploration had also been changed to 22.8246 km<sup>2</sup> from 28.88 km<sup>2</sup>. The Tibet Review Centre recently further approved the detailed exploration implementation plan (the “**Detailed Exploration Implementation Plan**”) submitted by Tibet Longtianyong in relation to the polymetallic mine at Lhoka Exploration Area for its review. The approval of the Detailed Exploration Implementation Plan marks significant 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 characterised by the coexistence of gold and antimony (Sb). As a key semiconductor material, antimony plays an irreplaceable role in the application of semiconductor technologies in cutting-edge fields such as infrared detection, high-efficiency storage, energy utilisation, 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.

Tibet Longtianyong is currently operated under Everest Gold Group. Through the Group’s retained interest in Everest Gold Group, the Group maintains indirect exposure to the mineral resources in the Lhoka Exploration Area, including potential gold mineralisation as indicated by subsequent exploration updates.

On 18 July 2025, the Group and Everest Gold Group jointly completed the acquisition of the 55% equity interest in Jiangxi Yiding which holds 100% equity interest in Xizang Shigatse. Xizang Shigatse is mainly engaged in the exploration of lead-zinc mines. Xizang Shigatse holds an exploration license which grants it the right to conduct general exploration on mineral resources within an area of 50.81 km<sup>2</sup> in Shigatse, Tibet, the PRC covered under the exploration license. 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, 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 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.

## **PROSPECTS**

Global macroeconomic uncertainty is expected to persist. Ongoing geopolitical conflicts and divergent monetary policy directions among major economies may exacerbate market volatility. In this environment, the demand for gold, silver and other traditional safe-haven assets as well as for industrial applications is expected to continue to grow. In particular, the structural supply shortage in the silver market has provided a solid market foundation for the Group's core businesses.

During the year, the Group completed the adjustment by holding the New Jewellery Retail segment of its subsidiary Everest Gold Group through its associate interest, and successfully disposed of the Fresh Food Retail segment, thereby further focusing on its core silver manufacturing and related businesses. By holding Everest Gold Group as an associate, the Group maintained its focus and participation in the fields of gold, jewellery and exploration of mineral resources, achieving business structure optimization and improved efficiency in resource allocation.

During the year, the Group made phased progress through the strategic expansion of resource reserves. In particular, the layout of the Xizang Shigatse mine constituted a key component. In July 2025, the Group and Everest Gold Group jointly completed the acquisition of 55% equity interest in Jiangxi Yiding, which holds 100% equity interest in Xizang Shigatse, at the total consideration of RMB5.5 million (RMB3.5 million from Everest Gold Group and RMB2.0 million from the Group), representing a strategic move to enter the upstream resources sector at a low cost. Currently, exploration work has been suspended due to the seasonal climate in the high-altitude areas of Xizang (severe winter cold, road closures and difficult access to the mine), and is expected to resume in late March or early April 2026. The Group will continue to carry out follow-up general surveys and exploration work, and closely monitor changes in geological data and the macro environment. As part of the Group's integration of the upstream supply chain, the project is expected to enhance the Group's ability to ensure stable raw material prices. The Group has also further advanced the exploration of the Xizang Shigatse mine through cooperation with outsourced suppliers, including Zijin Mining Group Southwest Geological Exploration Co., Ltd., a subsidiary of Zijin Mining Group Co., Ltd. (Hong Kong Stock Code: 2899) ("**Zijin Mining**"), as disclosed in the Company's announcement dated 29 December 2025, and a third party independent of the Group. This collaboration fully leverages Zijin Mining's professional strengths in geological exploration and technical services in high-altitude areas, accelerating the resource evaluation process of the Xizang Shigatse mine.

The Group will continue to proactively seek opportunities to expand its upstream business, with a view to enhancing its control over the supply chain. The acquisition of 51% equity interest in Jiangxi Letong and the holding of relevant equity interest in Jiangxi Yiding through Everest Gold Group have further strengthened the Group's presence in the upstream mineral resources sector, generating significant synergies with the existing silver manufacturing and trading businesses.

Looking ahead, the fundamentals of the silver market remain supportive, and the global supply shortage is expected to persist. Physical investment demand is likely to recover further amid rising macroeconomic uncertainty and a low effective interest rate environment; China’s domestic economic stimulus policies and the development of the new energy industry will also provide positive support for domestic silver trading. The Company will continue to strengthen its risk management system, closely monitor macroeconomic policies and market dynamics, striving to achieve steady business development and value creation in a complex environment.

## FINANCIAL REVIEW

### Continuing operation

#### Revenue

The revenue of the Group was derived from the sales of silver ingots. For the year ended 31 December 2025, the Group recorded revenue of approximately RMB3,063.3 million (2024: RMB4,156.1 million), representing a decrease of approximately 26.3% from that of 2024. This decline was primarily attributable to the overall reduction in demand for silver ingots, driven by reduction in demand across various silver applications amid significantly elevated silver prices throughout the year and intensified efforts by end-users to optimize consumption or pursue alternatives in response to cost pressures.

|                              | 2025                      |                    | 2024                                    |                               |
|------------------------------|---------------------------|--------------------|---|-------------------------------|
|                              | Revenue<br><i>RMB'000</i> | % of<br>revenue    | Revenue<br><i>RMB'000</i><br>(restated) | % of<br>revenue<br>(restated) |
| <b>Continuing operation</b>  |                           |                    |   |                               |
| <b>Manufacturing segment</b> |                           |                    |   |                               |
| Sales of silver ingots       | <u>3,063,300</u>          | <u>100%</u>        | <u>4,156,144</u>                        | <u>100%</u>                   |
| Total                        | <u><u>3,063,300</u></u>   | <u><u>100%</u></u> | <u><u>4,156,144</u></u>                 | <u><u>100%</u></u>            |

## **Cost of sales**

Our cost of sales mainly comprised of cost of raw materials consumed, purchase cost of silver, direct labor and manufacturing overhead in the production process. The purchase cost of raw materials is determined by the content levels of silver at market prices at the time of purchase.

The cost of sales decreased by approximately RMB1,102.3 million, representing a decrease of approximately 26.9%, from approximately RMB4,093.5 million in 2024 to approximately RMB2,991.1 million in 2025, which was in line with the decline in revenue during the year.

## **Gross profit and gross profit margin**

The Group recorded gross profit of approximately RMB72.2 million for the year ended 31 December 2025 (2024: RMB62.7 million), an increase of approximately 15.1% as compared to that of 2024. The overall gross profit margin of the Group increased to approximately 2.4% for this year (2024: 1.5%).

Despite the decline in sales, which resulted in a reduction in cost of sales, the Group benefited from the significant increase in silver prices throughout 2025, particularly during the fourth quarter. During the year, the Group successfully raised capital through financing activities and accumulated a certain level of silver inventory at relatively lower average costs before the sharp surge in silver prices in the fourth quarter.

By securing inventory ahead of this significant price escalation, the Group was able to realise enhanced gross margins on sales made from the pre-acquired inventory during the period of higher spot prices in the latter part of the year. This proactive inventory management strategy not only mitigated potential cost pressures associated with rising spot prices but also contributed positively to the improvement in gross profit margin, supporting overall gross margin stability and enhancement in a high-price environment.

### **Selling and distribution expenses**

Selling and distribution expenses decreased by approximately 26.4% from approximately RMB3.2 million for the year ended 31 December 2024 to approximately RMB2.3 million for the year ended 31 December 2025. The decrease was in line with the decrease in revenue.

### **Administrative expenses**

Administrative expenses increased by approximately 143.5% from approximately RMB21.4 million for the year ended 31 December 2024 to approximately RMB52.0 million for the year ended 31 December 2025. The increase was primarily attributed to share-based payment expenses of approximately RMB28.4 million recognised under share award scheme.

### **Other gains and losses**

Other gains and losses turned around from a net loss of approximately RMB2.5 million for the year ended 31 December 2024 to a net gain of approximately RMB2.1 million for the year ended 31 December 2025. Other gains and losses for the year include the exchange gain of approximately RMB2.1 million (2024: exchange loss of approximately RMB2.2 million).

### **Other income**

Other income increased to approximately RMB5.8 million for the year ended 31 December 2025 from approximately RMB2.9 million for the year ended 31 December 2024. Other income mainly represents the government grants and bank interest income.

## **Income tax**

The income tax increased from income tax credit of approximately RMB2.1 million for the year ended 31 December 2024 to an expense of approximately RMB0.3 million for the year ended 31 December 2025. Such change was mainly due to the increase in provision of PRC enterprise income tax for the current year.

## **Profit attributable to owners of the Company**

Overall, the profit attributable to the owners of the Company arising from continuing operation amounted to approximately RMB12.6 million for the year ended 31 December 2025 (2024: RMB18.7 million) representing a decrease of approximately RMB6.1 million, or 32.6%. The decrease was mainly driven by a combination effect of the decline in revenue for the year, increase in gross profit together with the recognition of share-based payment expense.

## **Discontinued operations**

After considering various factors unfavorable to the operation and development of the Jiangsu Nongmuren platform which gradually emerged, in order for the Group to focus its management's attention and its financial and manpower resources on the Group's core businesses of metals, the Group has decided to dispose of the Nongmuren Group. The disposal was completed on 13 January 2025. The Group recorded a gain on disposal amounted to approximately RMB11.5 million from the Fresh Food Retail segment for the year ended 31 December 2025.

The Company completed the deemed disposal of its equity interest in Everest Gold Group on 31 December 2025, as disclosed in the Company announcement dated 31 December 2025. Upon completion of the disposal, Everest Gold Group ceased to be a subsidiary and became the associates of the Company. Accordingly, the Group ceased to consolidate Everest Gold Group and instead recognised its retained interest in Everest Gold Group as investments in associates at fair value, resulting in a gain on disposal of approximately RMB537.2 million.

## **Inventories, trade receivables and trade payables turnover cycle**

The Group's inventories mainly comprise silver bars. For the year ended 31 December 2025, inventory turnover days decreased to approximately 79.1 days (2024: 95.5 days). This improvement was primarily attributable to the exclusion of the discontinued New Jewellery Retail segment, which had a comparatively higher inventory turnover days.

The turnover days for trade payables for the year ended 31 December 2025 were approximately 1.6 days (2024: 3.1 days). This improvement was primarily attributable to the exclusion of the discontinued New Jewellery Retail segment, which had a comparatively higher trade payables turnover days.

Following the deconsolidation of Everest Gold Group, the Group no longer had trade receivables in the manufacturing segment during the year ended 31 December 2025. Accordingly, the trade receivables turnover days was not applicable for the current year. For the year ended 31 December 2024, the turnover days for trade receivables was approximately 4.7 days.

## **Bank and other borrowings**

As of 31 December 2025, the Group's bank and other borrowings balance amounted to approximately RMB110.0 million, of which approximately RMB73.5 million was carried at fixed interest rate and approximately RMB36.5 million was carried at floating interest rate (2024: RMB400.9 million, of which approximately RMB281.0 million was carried at fixed interest rate and approximately RMB119.9 million was carried at floating interest rate). The amounts would be due for repayment within one year.

The Group's net gearing ratio was calculated on the basis of the bank and other borrowings less bank balances and cash as a percentage of total equity. As of 31 December 2025, the Group was in a net cash position with a net gearing ratio of approximately -9.2% (2024: -10.3%).

## Capital expenditures

For the year ended 31 December 2025, the Group invested approximately RMB7.8 million in property, plant and equipment (2024: RMB1.2 million in property, plant and equipment).

## Pledge of assets

As at 31 December 2025 and 31 December 2024, assets with the following carrying amounts were pledged to secure general banking facilities.

|  | <b>2025</b>           | 2024           |
|--|-----------------------|----------------|
|  | <b><i>RMB'000</i></b> | <i>RMB'000</i> |
| – Property, plant and equipment                    | <b>46,665</b>         | 49,948         |
| – Leasehold land (included in right-of-use assets) | <b>14,721</b>         | 15,155         |
| – Pledged bank deposits                            | <b>239,500</b>        | 39,800         |
|  | <b><u>300,886</u></b> | <u>104,903</u> |

## Capital commitments

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

## **Contingent liabilities**

As at 31 December 2025, Jiangxi Longtianyong Nonferrous Metals Co., Ltd (江西龍天勇有色金屬有限公司), a subsidiary of the Group, provided a corporate guarantee of approximately RMB80.0 million (2024: RMB143.0 million) to Jiangxi Jiyin Company Limited (江西吉銀實業有限公司) (“**Jiangxi Jiyin**”), a wholly-owned subsidiary of Everest Gold Group in support of a bank borrowing.

## **Employees**

As of 31 December 2025, the Group employed 57 staff members (2024: 56 staff members) and the total remuneration for the year ended 31 December 2025 amounted to approximately RMB6.9 million (2024: RMB9.6 million) for continuing operations. 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 award scheme on 18 June 2025 (the “**Share Award 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 18 June 2025, with the primary purpose of providing incentives to eligible employees. As further disclosed in the Company’s announcement dated 30 September 2025, the Company has granted an aggregate of 234,212,000 shares under the Share Award Scheme to 11 grantees (the “**Grantees**”), all of whom have accepted the awarded shares, representing 10.00% of the total number of shares of the Company in issue as at the adoption date of the Share Award Scheme. All awarded shares 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 and other borrowings. The Group’s principal financial instruments comprise bank balances and cash, trade and other receivables, trade, bills and other payables as well as bank and other borrowings.

As of 31 December 2025, bank balances and cash, net current assets and total assets less current liabilities were approximately RMB232.3 million (2024: RMB526.3 million), RMB128.7 million (2024: RMB1,090.4 million) and RMB1,332.6 million (2024: RMB1,220.1 million), respectively. As of 31 December 2025, the Group had bank and other borrowings amounting to approximately RMB110.0 million (2024: RMB400.9 million).

## **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 17 June 2025, subsidiaries of the Company and Everest Gold Group jointly entered into an equity transfer agreement to acquire 55% of Jiangxi Yiding which holds 100% equity interests in Xizang Shigatse. A wholly-owned subsidiary of the Company and a wholly-owned subsidiary of Everest Gold Group (i.e. non-wholly-owned subsidiary of the Company) agreed to hold 20% and 35% equity interest of Jiangxi Yiding respectively. The acquisition was completed on 18 July 2025. Further details of the transaction are set out in the announcements published on 17 June 2025 and 26 June 2025.

On 31 December 2025, the Company completed the deemed disposal of its equity interest in Everest Gold Group. As a result of the transaction, Everest Gold Group ceased to be a subsidiary of the Company and became an associate of the Company.

Following the deemed disposal of Everest Gold Group, the investment in Jiangxi Yiding changed from a non-wholly-owned subsidiary to an associate, as the Group's equity interest in Jiangxi Yiding decreased from 55% to 20%.

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

## **Use of Proceeds from the 2025 Share Subscription**

As disclosed in the section headed "Business Review" above, the 2025 Share Subscription raised gross proceeds of approximately HK\$207.0 million, with net proceeds of approximately HK\$206.5 million after deduction of all relevant expenses. The 2025 Share Subscription was fully completed on 22 January 2026. The net proceeds have been applied and will continue to be applied in a manner consistent with the intended use of proceeds as disclosed in the Company's announcement dated 14 July 2025.

The net proceeds received up to 31 December 2025 from the 2025 Share Subscription amounted to approximately HK\$181.8 million after deducting all expenses payable by the Company in connection with the 2025 Share Subscription. The net proceeds received from the 2025 Share Subscription had been used as follows during the year ended 31 December 2025:

|  | <b>Net proceeds<br/>received<br/>from the<br/>2025 Share<br/>Subscription<br/>as at<br/>31 December<br/>2025<br/>HK\$'000</b> | <b>Amount used<br/>during the<br/>year ended<br/>31 December<br/>2025<br/>HK\$'000</b> | <b>Unused<br/>amount<br/>as at<br/>31 December<br/>2025<br/>HK\$'000</b> |
|--|---|--|--|
| Procurement of raw materials   | 109,086   | (109,086)  | –  |
| Capital expenditure expected to be incurred from conducting general exploration and other exploration works on the Xizang Shigatse mine and other potential mining opportunities | 36,362  | –  | 36,362   |
| General working capital  | 36,362  | (4,724)  | 31,638   |
| Total  | <u>181,810</u>  | <u>(113,810)</u>   | <u>68,000</u>  |

### **Significant event after the reporting period**

As disclosed in the Company's announcement dated 16 February 2026, the Company has entered into six subscription agreements with six subscribers respectively on 13 February 2026, pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, under a specific mandate to be approved by its shareholders at an extraordinary general meeting, an aggregate of 910,000,000 subscription shares at the subscription price of HK\$0.51 per share (the "2026 Share Subscription"). The gross proceeds raised from the 2026 Share Subscription will be approximately HK\$464.1 million, and the net proceeds, after deduction of all relevant expenses, will be approximately HK\$463.3 million.

Except for the above, there is no other material subsequent event after the 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 a 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 two 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**"). During the year ended 31 December 2025, the Company has complied with the code provisions under the CG Code, except for code provision C.2.1.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the resignation of Mr. Sung Kin Man, former chief executive officer of the Company, on 1 January 2019, Mr. Chen Wantian has served as both the chairman and the chief executive officer of the Company. 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.

## **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 (including treasury shares as defined under the Listing Rules) 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.chinasilver.hk](http://www.chinasilver.hk)) and Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://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  
**China Silver Group Limited**  
**Chen Wantian**  
*Chairman*

Hong Kong, 25 March 2026

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Wantian and Mr. Song Guosheng; and the independent non-executive directors of the Company are Mr. Song Hongbing, Dr. Zeng Yilong and Ms. Song Fangxiu.*

\* *For identification purpose only*