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**AOWEI HOLDING LIMITED**  
**奧威控股有限公司**

*(incorporated in the British Virgin Islands and continued in the Cayman Islands with limited liability)*  
**(Stock Code: 1370)**

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

**FINANCIAL HIGHLIGHTS**

The revenue of the Group for the Reporting Period was approximately RMB632.8 million, representing a decrease of approximately RMB12.9 million or 2.0% as compared to the corresponding period of last year. The Group's cost of sales for the Reporting Period was approximately RMB548.6 million, representing a decrease of approximately RMB20.1 million as compared to the corresponding period of last year. The gross profit of the Group for the Reporting Period was approximately RMB84.1 million, representing an increase of approximately RMB7.2 million or 9.4% as compared with the corresponding period of last year.

For the Reporting Period, the Group's loss for the year was approximately RMB236.4 million, while the Group's loss for the year for the corresponding period last year was approximately RMB289.6 million.

For the Reporting Period, the basic loss per share attributable to equity shareholders of the Group was RMB0.14, while the basic loss per share for the corresponding period last year were RMB0.18.

The board (the "**Board**") of directors (the "**Directors**") of Aowei Holding Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2025 (the "**Reporting Period**" or the "**Year**"), along with the relevant comparable figures for the year ended 31 December 2024, which are extracted from the audited consolidated financial statements of the Group prepared in accordance with the IFRS Accounting Standards as set out in the Company's 2025 annual report (the "**2025 Annual Report**").

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	4	<b>632,783</b>	645,659
Cost of sales		<u>(548,643)</u>	<u>(568,741)</u>
<b>Gross profit</b>		<b>84,140</b>	76,918
Other income, gains and losses, net	6	<b>8,846</b>	4,682
Distribution expenses		<b>(1,610)</b>	(3,268)
Administrative expenses		<b>(93,256)</b>	(112,775)
Impairment losses under expected credit loss model, net		<b>(11,679)</b>	(24,055)
Impairment losses of property, plant and equipment, construction in progress and intangible assets		<b>(171,156)</b>	(177,006)
Finance costs	7	<u><b>(55,848)</b></u>	<u>(61,109)</u>
<b>Loss before tax</b>	9	<b>(240,563)</b>	(296,613)
Income tax credit	8	<u><b>4,173</b></u>	<u>6,992</u>
<b>Loss for the year</b>		<u><b>(236,390)</b></u>	<u>(289,621)</u>
<b>Other comprehensive income (expense)</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain on investments in equity instrument at fair value through other comprehensive income		<b>3,530</b>	11,740
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>28</b>	(102)
Other comprehensive income for the year, net of income tax		<u><b>3,558</b></u>	<u>11,638</u>
Total comprehensive expense for the year		<u><b>(232,832)</b></u>	<u>(277,983)</u>
<b>Loss per share in RMB</b>	11		
Basic		<u><b>(0.14)</b></u>	<u>(0.18)</u>
Diluted		<u><b>N/A</b></u>	<u>N/A</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	<i>12</i>	<b>792,178</b>	939,560
Construction in progress	<i>12</i>	<b>57,731</b>	115,655
Intangible assets		<b>36,327</b>	44,973
Equity instrument at fair value through other comprehensive income (“FVTOCI”)		<b>66,361</b>	62,831
Pledged bank deposits		–	158,913
Prepayments	<i>13</i>	<b>11,850</b>	22,824
Deferred tax assets		<b>148,070</b>	147,263
		<u><b>1,112,517</b></u>	<u>1,492,019</u>
<b>Current assets</b>			
Inventories		<b>90,320</b>	111,083
Trade and other receivables	<i>13</i>	<b>171,468</b>	179,007
Pledged bank deposits		<b>173,400</b>	20,000
Restricted bank balances		<b>21,090</b>	21,043
Cash and cash equivalents		<b>37,124</b>	34,646
		<u><b>493,402</b></u>	<u>365,779</u>
<b>Current liabilities</b>			
Trade and other payables	<i>14</i>	<b>178,589</b>	205,308
Contract liabilities		<b>49,826</b>	40,004
Bank borrowings		<b>675,950</b>	632,992
Tax payable		<b>11,323</b>	14,689
Deferred income		<b>1,360</b>	960
Provision for reclamation obligations		<b>7,038</b>	6,693
		<u><b>924,086</b></u>	<u>900,646</u>
<b>Net current liabilities</b>		<u><b>(430,684)</b></u>	<u>(534,867)</u>
<b>Total assets less current liabilities</b>		<u><b>681,833</b></u>	<u>957,152</u>

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Non-current liabilities</b>		
Bank borrowings	<b>193,050</b>	239,000
Deferred income	<b>12,360</b>	10,080
Provision for reclamation obligations	<b>21,641</b>	20,458
	<u><b>227,051</b></u>	<u>269,538</u>
<b>Net assets</b>	<u><b>454,782</b></u>	<u>687,614</u>
<b>Capital and reserves</b>		
Share capital	<b>131</b>	131
Reserves	<b>454,651</b>	687,483
	<u><b>454,782</b></u>	<u>687,614</u>
<b>Total equity</b>	<u><b>454,782</b></u>	<u>687,614</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Aowei Holding Limited (the “**Company**”) was incorporated in the British Virgin Islands on 14 January 2011 and redomiciled to the Cayman Islands on 23 May 2013 as an exempted company with limited liability under the Companies Law, Chapter 22 (2012 Revision, as consolidated and revised) of the Cayman Islands. The Company and its subsidiaries (together the “**Group**”) are principally engaged in (i) the exploration, mining, processing and trading of iron ore products and major products including iron ores, preliminary concentrates and iron ore concentrates; (ii) the production and sales business of the green construction materials construction sand and gravel materials by recycling tailings and solid wastes in the People’s Republic of China (the “**PRC**”). The registered address of the Company is located at P.O. Box 309, Uglan House Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company is located at 40th Floor, Dah Sing Financial Centre, No. 248 Queen’s Road East, Wanchai, Hong Kong.

Pursuant to a group reorganisation (the “**Reorganisation**”), the Company became the holding company of the companies now comprising the Group for the public listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Details of the Reorganisation are set out in the prospectus of the Company dated 18 November 2013. The Company’s shares were listed on the Stock Exchange on 28 November 2013.

Items included in the financial information of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company is Hong Kong dollars (“**HK\$**”). The Company’s primary subsidiaries were incorporated in the PRC and these subsidiaries considered Renminbi (“**RMB**”) as their functional currency. As the major operations of the Group are within the PRC, the Group determined to present its consolidated financial statements in RMB.

As at 31 December 2025, the directors of the Company (the “**Directors**”) considered the immediate parent and ultimate controlling party of the Group to be Hengshi International Investments Limited, a company incorporated in the British Virgin Islands, and Mr. Li Yanjun and Mr. Li Ziwei, respectively.

### 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

#### **Amendments to IFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

### **New 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>2</sup>
Amendments to IFRS 9 and IFRS 7	Amendments to Contracts Referencing Nature – dependent Electricity <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>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the amendments to IFRS Accounting Standards mentioned in the consolidated financial statements, the Directors anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance (“**CO**”).

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

As stated in the consolidated financial statements, the Group incurred a net loss of approximately RMB236,390,000 for the year ended 31 December 2025 and, as of that date, the Group’s current liabilities exceeded its current assets by approximately RMB430,684,000, and the Group’s borrowings due within one year amounted to approximately RMB675,950,000 and has capital commitments of approximately RMB1,224,000, while its cash and cash equivalents amounted to approximately RMB37,124,000 only. These events and conditions indicate the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern after taking into consideration the followings:

- (1) Subsequent to the end of the reporting period, the Group successfully obtained new borrowings of RMB115,000,000, RMB110,000,000 and RMB5,000,000 from certain financial institutions in PRC which used to settle the existing borrowings. Pursuant to the loan agreements, those new borrowings carried interest rate at 6.0%–6.5% per annum and repayable on 11 February 2027, 12 February 2027 and 30 June 2027, respectively. Also the Group successfully obtained cooperation agreements from two banks in the PRC, in which the banks have intention to renew the existing borrowings of RMB276,000,000 which are repayable within 1 year when these borrowings are matured.
- (2) The Group is expected to record a net operating cash inflow for the year ending 31 December 2026;
- (3) To pledge the non-current assets for new banking facilities, if necessary; and
- (4) The executive director, Mr. Li Yanjun who is also the chairman and ultimate controlling party of the Company has undertaken to provide adequate funds to enable the Group to meet its liabilities and to settle financial obligations to third parties as and when they fall due. If necessary, Mr. Li Yanjun will use the properties and land, in which he is the beneficiary owner, as collateral for bank loans to provide financial support to the Group.

The Directors have reviewed the Group's cash flow projection prepared by the management which covering a period of not less than twelve months from 31 December 2025 on the basis that the Group's aforementioned plans and measures will be successful, and are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the twelve months from 31 December 2025. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the assets of the Group to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

#### 4. REVENUE

##### Disaggregation of revenue from contracts with customers:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Type of goods</b>		
Iron ore concentrates	552,359	589,799
Gravel materials	80,424	55,860
	<hr/>	<hr/>
<b>Total</b>	<b>632,783</b>	<b>645,659</b>
	<hr/> <hr/>	<hr/> <hr/>

## 5. OPERATING SEGMENTS

Information reported to the Directors, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable segments under IFRS 8 *Operating Segments* is mining segment: the exploration, mining, processing and trading of iron ore products and major products including iron ores, preliminary concentrates and iron ore concentrates and the production and sales business of the green construction materials, construction sand and gravel material by recycling tailings and solid wastes.

Since mining segment is the only reportable and operating segment of the Group, information reported to CODM for the purpose of resources allocation and assessment focuses on revenue analysis by types of goods. No other discrete financial information is provided other than the Group’s results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

## 6. OTHER INCOME, GAINS AND LOSSES, NET

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Loss on written-off of property, plant and equipment	(31)	(152)
Loss on disposal of property, plant and equipment	(8)	(718)
Bank interest income	4,565	4,592
Dividends from equity instrument at FVTOCI	3,000	–
Government grant	1,320	960
	<u>8,846</u>	<u>4,682</u>

## 7. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest expenses on:		
– Bank borrowings	53,426	58,916
– Lease liabilities	–	23
– Discounted bills	569	405
Unwinding interest expenses on:		
– Provision for reclamation obligations	1,853	1,765
	<u>55,848</u>	<u>61,109</u>

## 8. INCOME TAX CREDIT

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	–	–
Overprovision in prior years:		
EIT	(3,366)	(26,366)
Deferred tax:		
Current year	(807)	19,374
Total	<u>(4,173)</u>	<u>(6,992)</u>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years. No provision for taxation in Hong Kong has been made for the years ended 31 December 2025 and 31 December 2024 as the Group did not generate any assessable profit arising in Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

## 9. LOSS BEFORE TAX

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss before tax has been arrived at after charging:		
Staff costs (include directors' and chief executive's emoluments):		
– salaries and other benefits in kind	59,940	64,174
– retirement benefits scheme contributions	5,653	7,258
– redundancy cost	1,166	3,072
	<hr/>	<hr/>
Total staff costs	66,759	74,504
Capitalised in inventories	(36,723)	(39,603)
	<hr/>	<hr/>
	30,036	34,901
	<hr/>	<hr/>
Transportation service fees	103,321	144,119
Capitalised in inventories	(101,711)	(139,961)
Capitalised in construction in progress	–	(1,175)
	<hr/>	<hr/>
	1,610	2,983
	<hr/>	<hr/>
Depreciation of property, plant and equipment (exclude right-of-use assets)	89,544	100,057
Depreciation of right-of-use assets	8,392	10,953
Amortisation of intangible asset	8,646	9,307
	<hr/>	<hr/>
Total depreciation and amortisation	106,582	120,317
Capitalised in inventories	(94,372)	(96,858)
	<hr/>	<hr/>
	12,210	23,459
	<hr/>	<hr/>
Auditor's remuneration:		
– audit services	2,300	2,300
Legal and professional fee	2,492	3,734
Write-down of inventories included in cost of sales	4,244	3,677
Cost of inventories recognised as an expense	543,794	560,367
	<hr/> <hr/>	<hr/> <hr/>

## 10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2025, nor has any dividend been proposed since the end of the Reporting Period (2024: Nil).

## 11. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
Loss for the year attributable to owners of the Company	<u><b>(236,390)</b></u>	<u>(289,621)</u>
	<b>2025</b> <b>'000</b>	2024 <i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u><b>1,635,330</b></u>	<u>1,635,330</u>

No diluted loss per share for both years ended 31 December 2025 and 2024 were presented as there were no potential ordinary shares in issue for both years ended 31 December 2025 and 2024.

## 12. PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

During the year ended 31 December 2025, the Group recognised addition of property, plant and equipment (including right-of-use assets) and construction in progress with a cost of approximately RMB26,148,000 (2024: approximately RMB11,212,000) and approximately RMB37,793,000 (2024: approximately RMB7,897,000).

### 13. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	135,853	138,887
Less: Allowance for credit losses	<u>(39,903)</u>	<u>(30,052)</u>
Total trade receivables, net ( <i>Note</i> )	<u>95,950</u>	<u>108,835</u>
Bills receivables	<u>3,000</u>	<u>1,300</u>
Prepayments and deposits	80,398	86,056
Amounts due from directors	–	315
Other receivables	<u>6,321</u>	<u>10,626</u>
	86,719	96,997
Less: Allowance for credit losses	<u>(2,351)</u>	<u>(5,301)</u>
Total other receivables, net	84,368	91,696
Prepayments classified as non-current assets	<u>(11,850)</u>	<u>(22,824)</u>
Other receivables, net	<u>72,518</u>	<u>68,872</u>
Trade and other receivables, net, classified as current assets	<u><u>171,468</u></u>	<u><u>179,007</u></u>

*Note:*

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 30 days	4,748	7,008
31 to 90 days	13,737	14,489
91 to 180 days	18,867	13,039
181 to 365 days	22,775	13,882
More than 1 year	<u>35,823</u>	<u>60,417</u>
	<u><u>95,950</u></u>	<u><u>108,835</u></u>

#### 14. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables ( <i>Note</i> )	85,578	86,911
Bills payables	20,000	40,000
Other taxes payables	13,195	11,219
Payables for construction work, equipment purchase and others	33,251	39,824
Interest payables	1,618	1,816
Other payables	24,947	25,538
	<u>178,589</u>	<u>205,308</u>

*Note:*

The following is an aged analysis of trade payables presented based on the invoice date:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 30 days	22,464	33,419
31 to 90 days	13,724	8,326
91 to 180 days	9,257	8,327
181 to 365 days	5,886	4,721
Over 1 year	34,247	32,118
	<u>85,578</u>	<u>86,911</u>

As at 31 December 2025, all trade payables are due and payable on presentation or within one year.

## **EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT**

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2025.

### **OPINION**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“**IASB**”) and have been prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to Note 3.1 to the consolidated financial statements, the Group incurred a net loss of approximately RMB236,390,000 for the year ended 31 December 2025 and, as of that date, the Group's current liabilities exceeded its current assets by approximately RMB430,684,000 and the Group's borrowings due within one year amounted to approximately RMB675,950,000 and has capital commitments of approximately RMB1,224,000 while its cash and cash equivalents amounted to approximately RMB37,124,000 only. These events and conditions, along with other matters as set forth in Note 3.1 to the consolidated financial statements, indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The aforesaid “Note 3.1 to the consolidated financial statements” in the extract of the independent auditor's report is disclosed in Note 3 to this announcement.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **IRON ORE BUSINESS**

#### **Market Review**

In 2025, the momentum of the global economic recovery remained weak generally. Persistent geopolitical tensions, adjustments in trade patterns and ongoing uncertainties in the monetary policies of major economies continued to affect the real economy and commodity markets. The domestic economy was in a phase of structural adjustment and gradual recovery in demand. Although policies to stabilize growth continued to be implemented, overall downstream demand for steel remained relatively weak.

During the year under review, the steel industry continued to exhibit a pattern of strong supply and weak demand. The real estate industry remained in a deep adjustment phase, while support for steel demand from manufacturing and infrastructure investment was relatively limited, resulting in weak steel consumption, which in turn affected the upstream iron ore market. With the continuous release of supply from major international iron ore producers, the iron ore market as a whole has shown a pattern of supply exceeding demand. The central price level has fallen compared to last year and has remained volatile. According to publicly available data, the average price of the 62% iron ore Platts Index in 2025 was approximately US\$101.77-102.99 per ton, representing a decrease of approximately 6.7%-7.0% compared to 2024, placing significant pressure on the sales prices and profit margins of the Group's iron ore business.

Faced with an operating environment characterized by a downward industry cycle and intensified market price volatility, the Group closely monitored the macroeconomic situation, the procurement pace of steel mills and changes in port inventories, timely adjusted its production and sales arrangements, and persisted in strengthening cost control and customer maintenance, so as to endeavor to mitigate the negative impact of cyclical industry fluctuations on the Group's operations.

#### **PRINCIPAL BUSINESS RISKS AND UNCERTAINTIES**

The various risks and uncertainties faced by the Group in its ordinary course of operations and business development may have an adverse effect on its financial position, results of operations and future prospects. The Group is committed to continuously identifying and assessing relevant risks, actively responding to the concerns of stakeholders, and implementing effective management and control over various potential risks by improving its internal control processes.

The principal risks and uncertainties that have a significant impact on the Group's operations mainly include continuous changes in the macroeconomic environment, fluctuations in the market prices of relevant products or services, and adjustments and changes in industry regulatory policies, as well as related risks such as credit conditions and the financing environment. In addition, if market competition strategies are improperly formulated or their execution deviates from expectations, the Company may fail to analyze market trends and grasp changes in customer demand in a timely, comprehensive and accurate manner, thereby giving rise to operational risks.

The risks and uncertainties disclosed above by the Group are major items only and are not exhaustive. In addition to those listed above, the Group may also be subject to other uncertainties that are currently unidentified or fail to constitute a material impact at this stage, but which could become material risks in the future, thereby potentially affecting the Group's operations.

## BUSINESS REVIEW

In 2025, the average selling price of the Group's iron ore concentrates fluctuated downwards. To improve profitability, the Group continued to deepen cost reduction measures, effectively achieving a reduction in production costs and an improvement in operational efficiency, which resulted in an increase in the production and sales volume of the Group's iron ore concentrates and a decrease in unit cash operating costs. For the year ended 31 December 2025, the Group's output of iron ore concentrates was approximately 749.4 Kt, representing an increase of approximately 3.8% as compared with the corresponding period of last year. During the Reporting Period, the Group's sales of iron ore concentrates were approximately 754.2 Kt, representing an increase of approximately 2.0% as compared with the corresponding period of last year, and the average sales price of iron ore concentrates was approximately RMB732.4 per ton, representing a decrease of approximately 8.2% as compared with the corresponding period of last year. During the Reporting Period, average unit cash operating cost for iron ore concentrates of Jingyuancheng Mining was approximately RMB608.6 per ton, representing a decrease of approximately 8.1% as compared with the corresponding period of last year.

As of 31 December 2025, the Group recorded the revenue of approximately RMB552.4 million for iron ore business, representing a decrease of approximately 6.3% as compared with the corresponding period of last year.

The table below sets out the breakdown of output and sales volume for each operating subsidiary of the Group:

The Group	For the year ended 31 December			For the year ended 31 December			For the year ended 31 December			For the year ended 31 December Average unit cash operating cost (RMB)		
	Output (Kt)		% of change	Sales volume (Kt)		% of change	Average sales price (RMB)		% of change	Average unit cash operating cost (RMB)		% of change
	2025	2024		2025	2024		2025	2024		2025	2024	
<b>Jiheng Mining</b>												
Iron ore concentrates <sup>1</sup>	32.5	46.0	-29.3%	32.5	50.5	-35.6%	642.0	583.9	10.0%	(Note 1)	(Note 1)	-
<b>Jingyuancheng Mining</b>												
Iron ore concentrates <sup>2</sup>	716.9	675.8	6.1%	721.7	688.6	4.8%	736.5	813.8	-9.5%	608.6	662.2	-8.1%
<b>Total</b>												
Iron ore concentrates	749.4	721.8	3.8%	754.2	739.1	2.0%	732.4	798.1	-8.2%	608.6	662.2	-8.1%

Notes:

- (1) Jiheng Mining has suspended mining due to the depletion of open-pit iron mining resources. During the Reporting Period, its output of iron ore concentrates was primarily achieved by grinding the preliminary concentrates screened from Jiheng Mining's solid waste comprehensive utilization project, and the TFe grade of iron ore concentrates sold was 63%.
- (2) The TFe grade of iron ore concentrates sold by Jingyuancheng Mining was 66%.

## RESOURCES AND RESERVES

During the Reporting Period, the Group did not conduct any production exploration and did not incur any additional exploration expenses.

The results of the ore reserves and resources in this announcement are calculated by deducting the consumption amount from 1 July 2013 to 31 December 2025 from the estimated amount of ore reserves and resources stated in the SRK's Competent Person's Report in November 2013. The estimation assumptions contained in the SRK's Competent Person's Report in 2013 were not changed and the figures were reviewed by internal experts of the Group.

The iron ore reserves which complied with JORC Code (2004 Edition) in respect of each mine of the Group as of 31 December 2025 are shown in the following table:

Company	Mine	Exploration approach	Reserve category	Ore reserves		
				(Kt)	TFe (%)	mFe (%)
Jiheng Mining	Zhijiazhuang	Open-pit	Probable	466	34.57	19.38
Jingyuancheng Mining	Wang'ergou	Open-pit	Probable	3,063	13.73	6.94
		Underground	Probable (graded above 12%)	18,077	15.87	8.50
	Shuanmazhuang	Open-pit	Probable	78,183	13.61	5.56
		Underground	Probable (graded above 12%)	35,723	16.00	7.11
Total		Open-pit	Probable	81,712	13.73	5.69
		Underground	Probable (graded above 12%)	53,800	15.96	7.58
		Total	Probable	<u>135,512</u>	<u>14.62</u>	<u>6.44</u>

The iron ore resources which complied with JORC Code (2004 Edition) in respect of each mine of the Group as of 31 December 2025 are shown in the following table:

Company	Mine	Controlled resource			Inferred resource		
		(Kt)	TFe (%)	mFe (%)	(Kt)	TFe (%)	mFe (%)
Jiheng Mining	Zhijiazhuang	466	34.57	19.38	377	29.76	24.87
Jingyuancheng Mining	Wang'ergou	39,580	14.12	6.90	9,051	11.88	6.73
	Shuanmazhuang	142,107	13.61	5.56	67,926	12.78	4.89
Total		<u>182,153</u>	<u>13.77</u>	<u>5.89</u>	<u>77,354</u>	<u>12.76</u>	<u>5.20</u>

### Mines in Operation

The Group has completed all infrastructure stripping projects for all the existing iron ore mines in 2015. As a result, the Group had no additional expenditure on infrastructure stripping projects during the Reporting Period. Furthermore, since the average stripping ratio of the operating entities in PRC was lower than their respective remaining mines during the Reporting Period, no production and stripping costs were capitalised.

### ***Wang’ergou Mine and Shuanmazhuang Mine***

Wang’ergou Mine and Shuanmazhuang Mine, which are both wholly-owned and operated by Jingyuancheng Mining, our wholly-owned subsidiary, are located in Zoumayi Town, Laiyuan County. The areas covered by the mining licenses for Wang’ergou Mine and Shuanmazhuang Mine are 1.5287 sq.km and 2.1871 sq.km, respectively. Wang’ergou and Shuanmazhuang have comprehensive basic infrastructures such as water, electricity and highway. As of 31 December 2025, the aggregate annual mining capacity of Wang’ergou Mine and Shuanmazhuang Mine was 14.0 Mtpa, and the dry processing capacity and wet processing capacity were 17.6 Mtpa and 3.5 Mtpa, respectively.

The following table sets forth a breakdown of the average unit cash operating costs of Wang’ergou Mine and Shuanmazhuang Mine:

#### *Iron ore concentrates*

<b>Unit: RMB per ton of iron ore concentrates</b>	<b>For the year ended 31 December</b>		
	<b>2025</b>	<b>2024</b>	<b>% of change</b>
Mining costs	<b>276.3</b>	304.9	-9.4%
Dry processing costs	<b>119.0</b>	105.2	13.1%
Wet processing costs	<b>117.6</b>	126.7	-7.2%
Administrative expenses	<b>64.9</b>	91.2	-28.8%
Taxation	<b>30.8</b>	34.2	-9.9%
Total	<b>608.6</b>	662.2	-8.1%

During the Reporting Period, the average unit cash operating cost of iron ore concentrates at Wang’ergou Mine and Shuanmazhuang Mine was lower than that of last year, which was mainly attributable to the decrease in mining contracting expenses compared to the same period last year resulting from the lower stripping ratio in the mining process, as well as the impact of the decrease in the loss of stoppage of work in administrative expenses compared to the same period last year.

#### ***Zhijiazhuang Mine***

Zhijiazhuang Mine has been mined year by year and the open-pit mining thereof has been basically completed. Taking into account the more stringent requirements for safe production of underground mining, as well as the particularity, the upfront investment in construction and the economic of underground mining and other factors, the Company has temporarily suspended the underground mining operation of Zhijiazhuang Mine and sought other strategic alternatives. For details, please refer to the inside information announcement dated 15 March 2024 published by the Company.

## GREEN CONSTRUCTION MATERIALS BUSINESS

As of 31 December 2025, the total treatment capability of solid waste comprehensive utilisation project of the Group was approximately 12.40 Mtpa, of which the treatment capacity of solid waste comprehensive utilisation project of Jiheng Mining was 3.70 Mtpa and newly commissioned 6.00 Mtpa; the treatment capacity of solid waste comprehensive utilisation project of Jingyuancheng Mining was 2.70 Mtpa.

The infrastructure development in Xiong'an New Area has created a continuous and large-scale demand for sand and gravel materials. However, on the supply side, Hebei Province integrated and put into production abandoned mines around Xiong'an New Area to ensure its construction, resulting in an increase in the market supply of sand and gravel materials. Market prices have declined in response to changes in supply and demand dynamics and industry competition has intensified. Therefore, the Company is actively promoting the formal commissioning of Jiheng Mining's processing project for 6 million tons sand and gravel materials, in order to expand production capacity and seize market share. Meanwhile, in terms of sales customers, we have focused on engaging with large state-owned enterprise customers to establish stable sales channels, providing support for the absorption of new production capacity. For the year ended 31 December 2025, the production volume of sand and gravel materials of the Group was approximately 2,960.2 Kt, representing an increase of approximately 111.1% as compared to the same period of last year. During the Reporting Period, the sales volume of sand and gravel materials was approximately 2,885.1 Kt, representing an increase of approximately 64.1% as compared to the same period of last year. The average sales price of sand and gravel materials of the Group was approximately RMB25.9 per ton during the Reporting Period.

As of 31 December 2025, the Group's sand and gravel materials business recorded revenue of approximately RMB80.4 million, representing an increase of approximately 43.8% as compared to the corresponding period of last year.

The table below sets out the breakdown of output and sales volume of sand and gravel materials of the Group:

The Group	As of 31 December			As of 31 December			As of 31 December			As of 31 December		
	Output		% of change	Sales volume		% of change	Average sales price		% of change	Average unit cash operating costs		% of change
	(Kt)			(Kt)			(RMB)			(RMB)		
	2025	2024		2025	2024		2025	2024		2025	2024	
Total	<u>2,960.2</u>	<u>1,402.0</u>	<u>111.1%</u>	<u>2,885.1</u>	<u>1,758.2</u>	<u>64.1%</u>	<u>25.9</u>	<u>28.9</u>	<u>-10.4%</u>	<u>18.1</u>	<u>23.3</u>	<u>-22.3%</u>

During the Reporting Period, the production and sales volume of sand and gravel materials increased significantly compared with the same period last year, mainly due to the resumption of normal sand and gravel materials production and sales operations by Jiheng Mining and the partial resumption of such operations by Jingyuancheng Mining. During the Reporting Period, the average cash operating cost of the Group's sand and gravel materials decreased compared with the same period last year, mainly due to the increase in capacity utilization and production volume, which in turn led to a decrease in unit fixed costs during the Reporting Period.

## **SAFETY AND ENVIRONMENTAL PROTECTION**

The Group has always regarded production safety and environmental protection as the core foundation for the steady operation and sustainable development of the enterprise, continuously adhering to the concepts of safe development and green development, strictly complying with national and local laws, regulations, and industry standards related to production safety and ecological environmental protection, anchoring the management objectives of “zero safety accidents, zero new occupational disease cases and zero environmental pollution accidents”, and building a comprehensive defense line for safety and environmental protection.

During the Reporting Period, the Group continued to optimize the integrated management system for occupational health, production safety, and environmental protection, improved the whole-process control mechanism, and strengthened the investigation and management of risks and hazards as well as closed-loop rectification; the Group carried out specialized training on safety skills, green and low-carbon practices, and environmental compliance for all employees on a regular basis, promoted the deep integration of safety and environmental protection concepts into all aspects of production and operation, and guided all employees to consciously practice safe operations and low-carbon production requirements. At the same time, the Group steadily advanced environmental protection measures such as energy conservation, consumption reduction, and pollution prevention and control, continuously enhanced resource utilization efficiency and ecological protection levels, and made every effort to build a secure, controllable, green, and low-carbon development model.

As at the end of the Reporting Period, the Group’s production and operations remained stable, with no major production safety accidents, major environmental pollution incidents, or new cases of occupational diseases. The Group’s safety and environmental protection management continued to stabilize and improve, building a dual guarantee of safety and ecology for its high-quality and sustainable development.

## **EMPLOYEES AND REMUNERATION POLICY**

As of 31 December 2025, the Group had 729 full-time employees in total (31 December 2024: 759 employees). During the Reporting Period, expenses of employees’ benefit (including salaries, wages, pension plan contributions and other benefits) of the Group were approximately RMB66.8 million (2024: RMB74.5 million).

Remuneration policy of the Group is determined based on performance, experience, competence and the level of comparable companies in the market. Remuneration packages generally include salaries, housing allowances, pension plan contributions and discretionary bonuses which are in relation to the performance of the Group.

## **FINANCIAL REVIEW**

### **Revenue**

The revenue of the Group during the Reporting Period was approximately RMB632.8 million, representing a decrease of approximately RMB12.9 million as compared to the corresponding period of last year, which was mainly attributable to the combined effect of the decrease in the average selling price of the Group's iron ore concentrates and the increase in the sales volume of sand and gravel materials during the Reporting Period.

### **Cost of sales**

The Group's cost of sales for the Reporting Period was approximately RMB548.6 million, representing a decrease of approximately RMB20.1 million as compared to the corresponding period of last year. The change in cost of sales was mainly attributable to the combined influence of the increase in sales volume of iron ore concentrates and sand and gravel materials of the Group and the decrease in unit cost of sales.

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

The gross profit of the Group for the Reporting Period was approximately RMB84.1 million, representing an increase of approximately RMB7.2 million or 9.4% as compared to the corresponding period of last year, which was mainly attributable to the increase in the gross profit margin of products as compared to the corresponding period of last year; the Group's gross profit margin also increased during the Reporting Period from 11.9% to 13.3% as compared to the corresponding period of last year.

### **Distribution expenses**

The Group's distribution expenses for the Reporting Period were approximately RMB1.6 million, representing a decrease of approximately RMB1.7 million as compared to the corresponding period of last year.

### **Administrative expenses**

The Group's administrative expenses for the Reporting Period were approximately RMB93.3 million, representing a decrease of approximately RMB19.5 million as compared to RMB112.8 million in the corresponding period of last year, which was mainly attributable to the decrease in the loss of stoppage of work and intermediary agency fees.

## **Impairment losses**

The Group recorded an impairment loss of approximately RMB182.8 million during the Reporting Period. The calculation of impairment loss on property, plant and equipment and construction in progress was mainly based on the recoverable amount of the relevant assets at the end of the Reporting Period. The Company has appointed an independent valuer to review the carrying value of related subsidiaries' non-current assets, so as to determine the recoverable amount of the assets. During the year ended 31 December 2025, provision for impairment loss on property, plant and equipment, and construction in progress was approximately RMB171.1 million. In addition, the provision of impairment under expected credit loss model of the Group was approximately RMB11.7 million. Set out below are the reasons, details of events and standard data for evaluating impairment test leading to the recognition of impairment loss during the Reporting Period:

### **Impairment losses on property, plant and equipment, and construction in progress**

In view of the operating loss incurred, the Group, in order to properly assess the relevant valuation of the assets as of the end of 2025, has appointed an independent valuer to review the carrying value of Jiheng Mining and Jingyuancheng Mining's property, plant and equipment, intangible assets and construction in progress on then valuation date (i.e. 31 December 2025), so as to determine the recoverable amount of assets in accordance with IAS 36 Impairment of Assets. As of 31 December 2025, Jiheng Mining provided for an impairment loss on assets of approximately RMB171.1 million, in which property, plant and equipment recorded the impairment loss of approximately RMB85.9 million and construction in progress recorded the impairment losses of approximately RMB85.2 million.

Details in relation to independent valuation of asset impairment:

#### ***(a) Basis and assumptions adopted for valuation in 2025:***

##### *1. Basic Assumption*

- There will be no major changes in China's political, legal, fiscal and economic environment currently;
- The expected development trend of the Company's industry and market will not deviate significantly;
- It is assumed that the current applicable interest rates and tax rates of the Company will not change significantly;
- Management has fully considered the reasonableness of each major assumption in the preparation of financial forecast;
- The Company's ability to finance will not be limited to growth;
- The Company has the ability to retain appropriate management personnel to support business operations;
- The difference between the industrial trend and market conditions and the economic forecasts of the industry is not significant.

## 2. *Scope of the Valuation*

The scope of this valuation is the asset group involved in the asset impairment test, specifically including property, plant and equipment, intangible assets and construction in progress.

### **(b) *Valuation methods adopted by Jiheng Mining and Jingyuancheng Mining in 2025 are as follows:***

The independent valuer analyzed the relevant information provided by Jiheng Mining and Jingyuancheng Mining, and in accordance with the relevant accounting standards, determined the value in use of the assets group of Jiheng and the assets group of Jingyuancheng through adopting the income approach as the recoverable amount of the assets group with reference to its past experience with similar projects. The income approach generally consists of two steps. Firstly, a forecast of future net cash flows arising from direct or indirect investment in the ownership of an asset or group of assets is established. Secondly, the present value of the estimated future net cash flows are calculated according to the market return rates applicable to investments in business risk and crisis-like projects.

Jiheng Mining took into account the risk-free rate, market risk premium, Beta value and cost of equity capital, the independent valuer adopted the Weighted Average Cost of Capital (“WACC”) as the discount rate. Based on the capital cost structure of Jiheng, the WACC (before tax) of Jiheng was estimated to be approximately 10.9%. Reasonable forecasts are made in the valuation model based on the production capacity of the sand and gravel production line, and the reasonable useful life of the production line, etc. The production period for the 2025 valuation report is from 2026 to 2033. There were no material changes in the relevant basis, assumptions and valuation methods adopted by Jiheng Mining in 2025 as compared with historical periods.

Jingyuancheng Mining took into account the risk-free rate, market risk premium, Beta value and cost of equity capital, the independent valuer adopted the WACC as the discount rate. Based on the capital cost structure of Jingyuancheng, the WACC (before tax) of Jingyuancheng was estimated to be approximately 14.2%. Reasonable forecasts are made in the valuation model based on the production capacity of the iron ore concentrates and sand and gravel production line, and the reasonable useful life of the production line, etc. The production period for the 2025 valuation report is from 2026 to 2038. There were no material changes in the relevant basis, assumptions and valuation methods adopted by Jingyuancheng Mining in 2025 as compared with historical periods.

## **Finance costs**

The Group's finance cost for the Reporting Period was approximately RMB55.8 million, representing a decrease of approximately RMB5.3 million or 8.7% as compared to the corresponding period of last year. The decrease in finance costs was mainly due to the decrease in duration of fund utilization for the Group's banking facilities as at the end of the Reporting Period as compared to the corresponding period of last year. Finance costs included interest expenses of bank borrowings, discounted bills, other finance expenses and the amortisation of reclamation obligations.

## **Income tax credit**

The Group's income tax credit for the Reporting Period were approximately RMB4.2 million, while the income tax credit for the corresponding period of last year were approximately RMB7.0 million, which was mainly due to the decrease in both the overprovision of the Group's income tax in the previous year and deferred tax in the current year. Income tax credit comprised of the sum of current tax credit and deferred tax credit.

## **Loss for the year**

The Group recorded a loss after tax during the Reporting Period of approximately RMB236.4 million, as compared to a loss after tax of approximately RMB289.6 million for the same period last year, which was mainly due to the combined effect of a decrease in impairment losses under expected credit loss model and non-current asset impairment losses during the Reporting Period, a year-on-year increase in gross profit resulting from the Company's optimization of cost controls, and the effective control of expenses during the period.

## **Property, plant and equipment**

The net carrying value of the property, plant and equipment of the Group as of 31 December 2025 was approximately RMB792.2 million, representing a decrease of approximately RMB147.4 million or 15.7% as compared to the corresponding period of last year. The change was mainly due to the combined influence of the Group's provision for depreciation and impairment during the Reporting Period.

## **Intangible assets**

As of 31 December 2025, the net intangible assets of the Group were approximately RMB36.3 million, representing a decrease of approximately RMB8.7 million as compared to the corresponding period of last year. The change was mainly due to the amortisation of intangible assets of the Group during the Reporting Period.

## **Inventories**

As of 31 December 2025, inventories of the Group amounted to approximately RMB90.3 million, representing a decrease of approximately RMB20.8 million or 18.7% as compared to the corresponding period of last year.

## **Trade and other receivables**

As of 31 December 2025, trade and bills receivables of the Group amounted to approximately RMB99.0 million, representing a decrease of approximately RMB11.1 million as compared to RMB110.1 million in the corresponding period of last year. As of 31 December 2025, other receivables of the Group amounted to approximately RMB84.4 million, representing a decrease of approximately RMB7.3 million as compared to RMB91.7 million in the corresponding period of last year, which was mainly due to the decrease in prepayments and deposits.

## **Trade and other payables**

As of 31 December 2025, trade payables and bills payables of the Group amounted to approximately RMB105.6 million, representing a decrease of approximately RMB21.3 million as compared to RMB126.9 million in the corresponding period of last year. The changes in trade payables and bills payables were mainly due to the decrease in bills payables.

As of 31 December 2025, other payables of the Group amounted to approximately RMB73.0 million, representing a decrease of approximately RMB5.4 million as compared to RMB78.4 million in the corresponding period of last year, which was mainly due to the decrease in payables for construction projects and equipment purchases.

## **Cash and borrowings**

As of 31 December 2025, the balance of cash and cash equivalents of the Group amounted to approximately RMB37.1 million, representing an increase of approximately RMB2.5 million as compared to the corresponding period of last year.

As of 31 December 2025, bank loans of the Group were RMB869.0 million, representing a decrease of RMB3.0 million or 0.3% as compared to the end of last year. The interest rates of the borrowings as of 31 December 2025 ranged from 2.8% to 7.5% per annum. The borrowings of RMB676.0 million were recorded as current liabilities of the Group (as of 31 December 2024: RMB633.0 million) and RMB193.0 million were recorded as non-current liabilities of the Group (as of 31 December 2024: RMB239.0 million). The above borrowings were denominated in RMB.

Save as disclosed in this announcement, the Group has no outstanding mortgages, pledges, bonds or other loan capital (issued or agreed to be issued), bank overdrafts, borrowings, acceptance liabilities or other similar liabilities, hire purchase and finance lease commitments, or any guarantees or other material contingent liabilities. The Directors have confirmed that there was no material change in the liabilities and contingent liabilities of the Group since 31 December 2025 and up to the date of this announcement. As of 31 December 2025, the overall financial status of the Group remained in a good condition.

## **Gearing ratio**

The gearing ratio of the Group as of 31 December 2025 was approximately 54.1%, representing an increase of approximately 7.2% as compared to the corresponding period of last year. The gearing ratio was calculated as total bank borrowings divided by total assets.

## **Capital expenditure**

The Group's total capital expenditure amounted to approximately RMB63.9 million, which consisted of purchase of property, plant and equipment, construction in progress and intangible assets.

## **Capital commitment**

As at 31 December 2025, the total capital commitments of the Group amounted to approximately RMB1.2 million (31 December 2024: approximately RMB18.1 million).

## **Interest rate risk and foreign currency risk**

The fair value interest rate risk of the Group is primarily related to bank borrowings. Most of the bank borrowings of the Group are due within one year. Therefore their fair value interest rate risk is low.

The Company currently does not have an interest rate hedging policy. However, the management of the Group monitors interest rate exposure and will consider to hedge significant interest rate exposure if necessary. The principal business of the Group is located in the PRC and the principal operation and transactions are carried out in RMB. Substantially all of the assets and liabilities of the Group are denominated in RMB. Since RMB is not freely convertible, the Chinese government may take actions to affect the exchange rate exposure, which may affect the Group's net assets, earnings and any dividends it declares if such dividends are translated into foreign currency. The Group had no hedging in respect of the exchange rate risk.

## **Pledge of assets and contingent liabilities made for the Group's loans**

As of 31 December 2025, the Group's bank loans of RMB869.0 million were secured by the Group's pledged bank deposit, mining right, right-of-use assets (land use rights), inventories (raw material of gravels), properties and equipment, the land use rights and properties of a related party of the Group, and collectively secured by land use rights and properties of third parties, two of directors of the Company, and related parties.

The carrying amounts of the Group's pledged bank deposit, mining rights, right-of-use assets (land use rights), inventories and properties pledged for bank loans were approximately RMB173.4 million, RMB36.3 million, RMB9.7 million, RMB24.7 million and RMB20.0 million respectively as of 31 December 2025. The Group had no material contingent liabilities as of 31 December 2025.

## **Significant investments held**

Save as disclosed specifically in this announcement, there were no significant investments held by the Company as at 31 December 2025.

## OUTLOOK AND STRATEGY

Facing the complex macroeconomic environment and cyclical industry fluctuations, management, integrating its assessment of the industry situation from the 2025 interim report with the supply and demand patterns of the iron ore market and the regional demand prospects brought by the development of the Beijing-Tianjin-Hebei region and the Xiong'an New Area, maintains a cautiously optimistic outlook for the development of its dual core businesses in 2026.

In terms of the iron ore business, global supply gradually eased in 2025, and prices showed a fluctuating and downward trend. It is expected that the production capacity of mainstream mines will continue to be released in 2026, and the overall market pattern of supply exceeding demand will remain unchanged, but downstream demand will show structural support. As domestic infrastructure investment steadily gathers momentum and demand for steel in manufacturing and high-end equipment remains resilient, the drag on steel demand from the real estate industry will marginally weaken, providing a certain level of underlying support for iron ore demand. The Group will closely follow the procurement pace of steel mills, optimize the product mix of iron ore concentrates, enhance processing efficiency and cost control, improve product quality and customer stability, consolidate its regional market share, and actively respond to the pressure of market price fluctuations.

In terms of the sand and gravel materials business, the coordinated development of the Beijing-Tianjin-Hebei region, the construction of the capital economic circle and key projects in the Xiong'an New Area will enter a phase of concentrated implementation and construction in 2026. Projects such as transportation infrastructure, urban renewal, industrial park development and water conservancy engineering are being advanced across the board, providing solid support and stability for the demand for sand and gravel materials within the region. Sand and gravel resources in the Beijing and Tianjin areas are relatively scarce and highly dependent on surrounding supply. The Group's mines are located in a core area of Hebei, giving them the locational advantages of proximity and the ability to ensure a stable supply. As the supply-side structural reform of the industry continues to deepen and compliant production capacity is further optimized, the stable development of mining enterprises with standardized operations will be facilitated, which also brings sustainable market opportunities for the Group's sand and gravel materials business.

Looking ahead to 2026, the Group will continue to adhere to its dual-driven operating strategy of iron ore mining and processing alongside the production and sale of sand and gravel materials. We will focus on key initiatives centered on improving operating quality and risk control by: strengthening lean management throughout the entire production process; continuously optimizing processes and efficiency; reducing the unit production costs of iron ore concentrates and sand and gravel materials; and enhancing the resilience of its business profitability. We will closely track changes in regional demand and market price trends, flexibly adjust sales strategies, deepen our presence in the core markets of the Beijing-Tianjin-Hebei region and the Xiong'an New Area, and broaden our high-quality customer base and sales channels. We will implement prudent financial policies, strengthen the management of receivables and cash flow control, optimize our debt structure, and ensure the Group's overall financial stability. We will strictly implement safety production and environmental compliance requirements, continuously promote the development and standardized operation of green mines, and solidify the foundation for sustainable development. We will continue to advance the disposal and monetisation of Laiyuan County Jiheng Mining Co., Ltd. The relevant plans are progressing steadily, and we aim to recover capital through asset optimization to further focus on core high-quality assets and the development of our principal businesses.

Upholding a responsible and pragmatic business philosophy, management will work with all employees to advance various business initiatives, continuously optimize the asset and business structure, and strive to improve operating performance, thereby creating long-term and stable value for shareholders and stakeholders.

## **DIVIDENDS**

The Board does not recommend the distribution of a final dividend for the year ended 31 December 2025 (2024: Nil).

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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 its own code of conduct regarding the Directors' dealings in the Company's securities. Specific enquiries have been made to all Directors of the Company and all Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2025.

## **COMPLIANCE OF THE CORPORATE GOVERNANCE CODE**

As a company with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company is committed to maintaining high level of corporate governance. Throughout the Reporting Period, the Company has fully complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules.

## **AUDIT COMMITTEE**

The audit committee of the Company has reviewed the Group's annual results for 2025 and the consolidated financial statements for the year ended 31 December 2025.

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2025 and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's independent auditors, Asian Alliance (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by Asian Alliance (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Asian Alliance (HK) CPA Limited on the preliminary announcement.

## COMPLIANCE OF DEED OF NON-COMPETITION

The Company entered into a deed of non-competition (“**Deed of Non-Competition**”) with Mr. Li Ziwei, Mr. Li Yanjun, Hengshi International Investments Limited and Hengshi Holdings Limited (the “**Controlling Shareholders**”) on 12 November 2013. Pursuant to the Deed of Non-Competition, each Controlling Shareholder has undertaken to the Company (for itself and in favour of its subsidiaries) that they will not, profitably or non-profitably, and will procure their associates (except any members of the Group) not to, directly or indirectly, either on his own or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate in or hold interests in or engage in or acquire or hold construction, development, operation or management of any business or activity which competes or may compete with the restricted business of the Group, being the exploration, mining, processing and trading of iron ore products and the major products include iron ores, preliminary concentrates and iron ore concentrates (the “**Restricted Business**”). The Controlling Shareholders have also granted us an option for new business opportunities, a pre-emptive right and an option for acquisition to acquire any potential interest in their business which competes or is likely to compete, either directly or indirectly, with the Restricted Business.

In accordance with the Deed of Non-Competition, the independent non-executive Directors of the Company are responsible for reviewing and considering whether exercising the option for new business opportunities, pre-emptive right and the option for acquisitions as well as conducting annual review of implementation of the Deed of Non-Competition on behalf of the Company. Each Controlling Shareholder of the Company has confirmed its/his compliance with the Deed of Non-Competition, and the independent non-executive Directors of the Company have also reviewed the implementation of the Deed of Non-Competition, and confirmed that the Controlling Shareholders have fully abided by the Deed of Non-Competition without any breach of the Deed of Non-Competition.

## SUBSEQUENT EVENTS

Save as disclosed specifically in this announcement, there were no significant subsequent events affecting the Group which occurred since 1 January 2026 and up to the date of this announcement.

## PUBLICATION OF 2025 ANNUAL REPORT

The 2025 Annual Report containing all relevant information required by the Listing Rules will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.aoweiholding.com](http://www.aoweiholding.com)) in due course and dispatched to the shareholders of the Company as requested.

By order of the Board  
**Aowei Holding Limited**  
**Mr. Li Yanjun**  
*Chairman*

Beijing, 26 March 2026

*As at the date of this announcement, the executive directors of the Company are Mr. Li Yanjun, Mr. Li Ziwei, Mr. Zuo Yuehui, Mr. Sun Tao and Ms. Chen Lixian and the independent non-executive directors of the Company are Dr. Wong Sze Lok, Mr. Meng Likun and Mr. Ge Xinjian.*