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**China Vanadium Titano-Magnetite Mining Company Limited**

**中國鈮鈦磁鐵礦業有限公司**

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

**(Stock Code: 00893)**

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

**FINANCIAL HIGHLIGHTS**

For the Reporting Period:

- the Group's revenue was approximately RMB557.9 million for FY2025 (FY2024: RMB542.5 million);
- the Group recorded a significant lower Net Loss of approximately RMB0.1 million for FY2025 (FY2024: RMB20.7 million);
- the basic and diluted loss per Share attributable to ordinary equity holders of the Company was approximately RMB0.01 cents for FY2025 (FY2024: RMB0.92 cents); and
- the Board does not recommend payment of final dividend for FY2025 (FY2024: Nil).

The Board hereby announces the audited consolidated results of the Group for FY2025 together with the comparative figures for FY2024 as follows:

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

For the year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Revenue</b>	<i>3, 4</i>	<b>557,885</b>	542,490
Cost of sales	<i>6</i>	<b>(540,689)</b>	(528,287)
<b>Gross profit</b>		<b>17,196</b>	14,203
Other income and gains	<i>4</i>	<b>17,388</b>	12,402
Selling and distribution expenses		<b>(4,916)</b>	(2,667)
Administrative expenses		<b>(17,914)</b>	(19,064)
Other expenses		<b>(5,220)</b>	(9,976)
Reversal of impairment losses on other receivables	<i>12</i>	–	371
Write-down of inventories	<i>14</i>	–	(4,691)
Impairment losses on property, plant and equipment	<i>8</i>	–	(4,947)
Impairment losses on intangible assets	<i>9</i>	–	(4,152)
Finance costs	<i>5</i>	<b>(5,855)</b>	(7,750)
Share of results of joint ventures	<i>11</i>	<b>833</b>	1,680
<b>Profit/(Loss) before tax</b>	<i>6</i>	<b>1,512</b>	(24,591)
Income tax credit	<i>7</i>	<b>259</b>	4,502
<b>Profit/(Loss) for the year</b>		<b>1,771</b>	(20,089)
<b>Other comprehensive income/(loss)</b>			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<b>15</b>	(5)
<b>Total comprehensive income/(loss) for the year</b>		<b>1,786</b>	(20,094)

	<i>Note</i>	<b>2025</b> <b><i>RMB'000</i></b>	2024 <i>RMB'000</i>
Profit/(Loss) attributable to:			
Owners of the Company		(142)	(20,662)
Non-controlling interests		<u>1,913</u>	<u>573</u>
		<b><u>1,771</u></b>	<b><u>(20,089)</u></b>
Total comprehensive income/(loss) attributable to:			
Owners of the Company		(127)	(20,667)
Non-controlling interests		<u>1,913</u>	<u>573</u>
		<b><u>1,786</u></b>	<b><u>(20,094)</u></b>
<b>Loss per share attributable to owners of the Company:</b>			
Basic and diluted ( <i>RMB cents</i> )	23	<b><u>(0.01)</u></b>	<b><u>(0.92)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>8</i>	<b>227,798</b>	209,756
Right-of-use assets	<i>10</i>	<b>20,770</b>	20,760
Intangible assets	<i>9</i>	<b>813,795</b>	815,567
Interests in joint ventures	<i>11</i>	<b>5,013</b>	4,180
Prepayments, other receivables and other assets	<i>12</i>	<b>323</b>	373
Deferred tax assets	<i>13</i>	<b>14,515</b>	12,631
<b>Total non-current assets</b>		<b>1,082,214</b>	1,063,267
<b>CURRENT ASSETS</b>			
Inventories	<i>14</i>	<b>14,637</b>	20,326
Trade and bills receivables	<i>15</i>	<b>161,940</b>	75,494
Prepayments, other receivables and other assets	<i>12</i>	<b>45,248</b>	108,179
Due from related parties		<b>847</b>	3,137
Pledged deposits	<i>16</i>	<b>25</b>	25
Cash and cash equivalents	<i>16</i>	<b>9,238</b>	11,881
<b>Total current assets</b>		<b>231,935</b>	219,042
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>17</i>	<b>64,701</b>	63,585
Contract liabilities	<i>18</i>	<b>4,773</b>	2,097
Other payables and accruals	<i>19</i>	<b>104,019</b>	63,581
Interest-bearing bank and other borrowings	<i>20</i>	<b>4,000</b>	72,400
Due to related parties		<b>5,617</b>	3,958
Lease liabilities	<i>10</i>	<b>2,019</b>	2,226
Tax payable		<b>9,717</b>	8,932
<b>Total current liabilities</b>		<b>194,846</b>	216,779
<b>NET CURRENT ASSETS</b>		<b>37,089</b>	2,263
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,119,303</b>	1,065,530

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Due to related parties		<b>9,573</b>	8,472
Contract liabilities	<i>18</i>	<b>30,000</b>	20,000
Lease liabilities	<i>10</i>	<b>19,128</b>	18,857
Interest-bearing bank and other borrowings	<i>20</i>	<b>78,010</b>	19,044
Provision for rehabilitation	<i>21</i>	<b>16,197</b>	15,843
Other payables	<i>19</i>	<b>44,401</b>	63,106
<b>Total non-current liabilities</b>		<b>197,309</b>	145,322
<b>Net assets</b>		<b>921,994</b>	920,208
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	<i>22</i>	<b>197,889</b>	197,889
Reserves		<b>427,605</b>	427,732
<b>Non-controlling interests</b>		<b>625,494</b>	625,621
		<b>296,500</b>	294,587
<b>Total equity</b>		<b>921,994</b>	920,208

# NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

## 1. CORPORATE AND GROUP INFORMATION

China Vanadium Titano-Magnetite Mining Company Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 28 April 2008 under the Companies Act. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at 3201, 32/F, Alexandra House, 18 Chater Road, Central, Hong Kong.

During the year ended 31 December 2025, the Company and its subsidiaries (together, the “Group”) were principally engaged in the following principal activities:

- sale of self-produced products
- trading of steels
- facility management

In the opinion of the board (the “Board”) of directors of the Company (the “Director(s)”), Trisonic International Limited (“Trisonic International”), a company incorporated in Hong Kong, is the parent and the ultimate holding company of the Company.

## 2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (which include all applicable International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost convention.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary; (ii) the carrying amount of any non-controlling interests; and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received; (ii) the fair value of any investments retained; and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## **2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's consolidated financial statements.

Amendments to IAS 21

Lack of Exchangeability

The nature and the impact of the revised IFRS Accounting Standards that are applicable to the Group are described below:

### **Amendments to IAS 21: Lack of Exchangeability**

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The amendments have no effect on the measurement, recognition or presentation of any items in the consolidated financial statements. Management has reviewed the disclosure of accounting policy information and considered it is consistent with the amendments.

## 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not early applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these consolidated financial statements.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>(1)</sup>
Annual Improvements to IFRS Accounting Standards	Volume 11 <sup>(1)</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>(1)</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>(2)</sup>
IFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>(2)</sup>
Amendments to IAS 21	Translation to 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> The effective date to be determined

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

### **Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments**

The amendments:

- clarify the classification of financial assets with environmental, social and corporate governance (ESG) and other similar features;
- clarify the date on which a financial asset or financial liability is derecognised;
- introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if specified criteria are met;
- clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments; and
- introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example, features tied to ESG-linked targets.

## **Annual Improvements to IFRS Accounting Standards – Volume 11**

The amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards:

- IFRS 1 First-time Adoption of IFRS Accounting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on Implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

### **Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity**

The amendments include:

- clarifying the application of the “own-use” requirements;
- permitting hedge accounting if these contracts are used as hedging instruments; and
- adding new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

### **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 retains numbers of requirements of IAS 1 and introduces the following new key requirements:

- presentation of new defined subtotals in the statement of profit or loss, i.e. operating profit and profit before financing and income taxes, and classifications of income and expenses into operating, investing, financing, income taxes and discontinued operations in the statement of profit or loss, with some modifications for companies with specific business activities, e.g. banks, insurers and investment property companies;
- identification of management-defined performance measures (MPMs) which are defined as subtotals of income and expenses used in public communications outside financial statements to communicate management’s view of an aspect of the financial performance for the company as a whole and are not listed or required by IFRS Accounting Standards and disclosures about MPMs in a single note to the financial statements; and
- enhanced requirements for grouping (aggregation and disaggregation) of information in the primary financial statements and information disclosed in the notes to the financial statements.

### **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures in their financial statements.

### **Amendments to IAS 21 Translation to Hyperinflationary Presentation Currency**

The amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. An entity applies the amendments if:

- its functional currency is that of a non-hyperinflationary economy and it translates its results and financial position into the currency of a hyperinflationary economy; or
- it translates the results and financial position of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, into the currency of a hyperinflationary economy.

### **Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Standards are amended such that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and a partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The management of the Group does not anticipate that the adoption of the above new/revised IFRS Accounting Standards in future periods will have any material impact on the consolidated financial position and performance.

## **3. SEGMENT INFORMATION**

For management purposes, the Group is organised into business units based on their services and products and has four (2024: four) reportable segments as follows:

- (a) the High-Fe mining operation segment comprises the operation of sale of self-produced high-grade iron concentrates within the range of 65% TFe to 72% TFe;
- (b) the trading segment comprises the operation of sale of traded products;
- (c) the facility management segment comprises the provision of facilities management services for mining related industry; and
- (d) the corporate and others segment comprises the non-operating activities that support the Group, including central functions such as the functional costs that have not been allocated to the other segments.

The executive directors of the Company monitor the results of the Group's reporting segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that other income and gains, other expenses and non-lease-related finance costs are excluded from such measurement.

Segment assets exclude interest in joint ventures, deferred tax assets, pledged deposits and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings and tax payable as these liabilities are managed on a group basis.

**Year ended 31 December 2025**

	High-Fe mining operation RMB'000	Trading RMB'000	Facility management RMB'000	Corporate and others RMB'000	Total RMB'000
<b>Segment revenue</b>					
Sales to external customers	67,734	470,464	19,687	–	557,885
Intersegment sales	–	–	1,391	–	1,391
Revenue	<u>67,734</u>	<u>470,464</u>	<u>21,078</u>	<u>–</u>	<u>559,276</u>
<b>Segment results</b>	(3,653)	3,513	1,402	(8,467)	(7,205)
<i>Reconciliation:</i>					
Other income and gains					17,388
Other expenses					(5,220)
Finance costs (other than interest on lease liabilities and provision for rehabilitation)					(4,284)
Share of results of joint ventures					833
Profit before tax					<u>1,512</u>
<b>Segment assets</b>	504,700	196,280	22,765	768,607	1,492,352
<i>Reconciliation:</i>					
Elimination of intersegment receivables					(206,994)
Interest in joint ventures					5,013
Deferred tax assets					14,515
Cash and cash equivalents					9,238
Pledged deposits					25
Total assets					<u>1,314,149</u>
<b>Segment liabilities</b>	259,027	150,266	9,199	88,930	507,422
<i>Reconciliation:</i>					
Elimination of intersegment payables					(206,994)
Interest-bearing bank and other borrowings					82,010
Tax payable					9,717
Total liabilities					<u>392,155</u>
<b>Other segment information</b>					
Depreciation and amortisation	11,773	1	–	724	12,498
Capital expenditure*	26,906	–	–	–	26,906
Write-off of trade and other payables	–	–	–	(5,678)	(5,678)
Write-off of property, plant and equipment	783	–	–	–	783

\* Capital expenditure consists of additions to property, plant and equipment.

Year ended 31 December 2024

	High-Fe mining operation RMB'000	Trading RMB'000	Facility management RMB'000	Corporate and others RMB'000	Total RMB'000
<b>Segment revenue</b>					
Sales to external customers	67,121	454,879	20,490	–	542,490
Intersegment sales	–	–	1,247	–	1,247
Revenue	<u>67,121</u>	<u>454,879</u>	<u>21,737</u>	<u>–</u>	<u>543,737</u>
<b>Segment results</b>	(17,716)	3,129	717	(8,946)	(22,816)
<i>Reconciliation:</i>					
Other income and gain					12,402
Other expenses					(9,976)
Finance costs (other than interest on lease liabilities and provision for rehabilitation)					(5,881)
Share of results of joint ventures					1,680
Profit before tax					<u>(24,591)</u>
<b>Segment assets</b>	486,297	184,436	11,406	751,093	1,433,232
<i>Reconciliation:</i>					
Elimination of intersegment receivables					(179,640)
Interest in joint ventures					4,180
Deferred tax assets					12,631
Cash and cash equivalents					11,881
Pledged deposits					25
Total assets					<u>1,282,309</u>
<b>Segment liabilities</b>	218,998	140,104	5,220	77,043	441,365
<i>Reconciliation:</i>					
Elimination of intersegment payables					(179,640)
Interest-bearing bank and other borrowings					91,444
Tax payable					8,932
Total liabilities					<u>362,101</u>
<b>Other segment information</b>					
Reversal of impairment losses on other receivables	–	–	–	(371)	(371)
Impairment losses on property, plant and equipment	4,947	–	–	–	4,947
Impairment losses on intangible assets	4,152	–	–	–	4,152
Loss on disposal of property, plant and equipment	197	–	–	–	197
Depreciation and amortisation	13,090	1	–	704	13,795
Capital expenditure*	16,170	–	–	–	16,170
Write-down of inventories	4,691	–	–	–	4,691
Write-off of trade and other payables	–	–	–	(1,882)	(1,882)
Write-off of property, plant and equipment	1,494	–	–	–	1,494

\* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

## Entity-wide disclosures

### *Geographical information*

#### (a) *Revenue from external customers*

The following table sets out information about the geographical locations of the Group's revenue from external customers during the reporting period. The geographical locations of customers are determined based on the locations designated by the customers at which the goods were delivered or services were rendered.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese Mainland	<u>557,885</u>	<u>542,490</u>

#### (b) *Non-current assets*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese Mainland	1,062,104	1,045,530
Singapore	<u>259</u>	<u>553</u>
	<u>1,062,363</u>	<u>1,046,083</u>

The non-current asset information above is based on the locations of the assets and excludes interests in joint ventures, prepayments, other receivables and other assets and deferred tax assets.

### *Information about major customers*

Revenue from each of major customers, which amounted to 10% or more of the total revenue, is set out below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Trading</b>		
Customer A	–	80,989
Customer B	83,156	151,396
Customer C	<u>387,308</u>	<u>222,494</u>

#### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
<b>Revenue from contracts with customers</b>				
Sale of industrial products:				
High-grade iron concentrates	67,734	12.2	67,121	12.4
Steels	470,464	84.3	454,879	83.9
Rendering of facility management services	19,687	3.5	20,490	3.7
	<u>557,885</u>	<u>100.0</u>	<u>542,490</u>	<u>100.0</u>

#### Revenue from contracts with customers

##### (a) *Disaggregated revenue information*

For the year ended 31 December 2025

Segments	High-Fe mining operation <i>RMB'000</i>	Trading <i>RMB'000</i>	Facility management <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or services</b>				
High-grade iron concentrates	67,734	–	–	67,734
Trading of steels	–	470,464	–	470,464
Facility management services	–	–	19,687	19,687
	<u>67,734</u>	<u>470,464</u>	<u>19,687</u>	<u>557,885</u>
<b>Geographical market</b>				
Chinese Mainland	<u>67,734</u>	<u>470,464</u>	<u>19,687</u>	<u>557,885</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	67,734	470,464	–	538,198
Services transferred over time	–	–	19,687	19,687
	<u>67,734</u>	<u>470,464</u>	<u>19,687</u>	<u>557,885</u>

For the year ended 31 December 2024

Segments	High-Fe mining operation <i>RMB'000</i>	Trading <i>RMB'000</i>	Facility management <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or services</b>				
High-grade iron concentrates	67,121	–	–	67,121
Trading of steels	–	454,879	–	454,879
Facility management services	–	–	20,490	20,490
	<u>67,121</u>	<u>454,879</u>	<u>20,490</u>	<u>542,490</u>
<b>Geographical market</b>				
Chinese Mainland	<u>67,121</u>	<u>454,879</u>	<u>20,490</u>	<u>542,490</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	67,121	454,879	–	522,000
Services transferred over time	–	–	20,490	20,490
	<u>67,121</u>	<u>454,879</u>	<u>20,490</u>	<u>542,490</u>

For the year ended 31 December 2025

Segments	High-Fe mining operation <i>RMB'000</i>	Trading <i>RMB'000</i>	Facility management <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>				
External customers	67,734	470,464	19,687	557,885
Intersegment sales	–	–	1,391	1,391
Total revenue	<u>67,734</u>	<u>470,464</u>	<u>21,078</u>	<u>559,276</u>

For the year ended 31 December 2024

Segments	High-Fe mining operation <i>RMB'000</i>	Trading <i>RMB'000</i>	Facility management <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue from contracts with customers</b>				
External customers	67,121	454,879	20,490	542,490
Intersegment sales	—	—	1,247	1,247
Total revenue	<u>67,121</u>	<u>454,879</u>	<u>21,737</u>	<u>543,737</u>

**(b) Performance obligations**

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

*Sale of industrial products*

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 120 days from delivery.

*Facility management services*

The performance obligation is satisfied over time as services are rendered. Consultancy and management service contracts are for periods of one year and subject to renewable on annual basis, and are billed based on the time incurred.

An analysis of other income and gains is as follows:

	Note	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Other income</b>			
Bank interest income		1	4
Government grants	(a)	994	753
Sale of raw materials		240	650
Guarantee fee		9,898	8,649
Miscellaneous		468	464
		<u>11,601</u>	<u>10,520</u>
<b>Gains</b>			
Write-off of trade and other payables		5,678	1,882
Exchange gains, net		109	—
		<u>5,787</u>	<u>1,882</u>
Total other income and gains		<u>17,388</u>	<u>12,402</u>

Note:

- (a) There were no unfulfilled conditions or contingencies relating to these government grants.

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank and other borrowings	2,507	3,895
Interest on mining right payable ( <i>note 19</i> )	1,777	1,986
Interest on lease liabilities ( <i>note 10(c)</i> )	1,076	1,091
Unwinding of discount on provision ( <i>note 21</i> )	495	778
	<u>5,855</u>	<u>7,750</u>

## 6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax was arrived at after charging (crediting):

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold		523,407	512,031
Cost of services provided		<u>17,282</u>	<u>16,256</u>
Cost of sales		<u>540,689</u>	<u>528,287</u>
Employee benefit expenses (including Directors' and chief executive's remunerations):			
Wages and salaries		24,955	23,164
Welfare and other benefits		2,091	2,232
Defined contribution fund			
– Pension scheme contributions		5,621	6,244
– Housing fund		<u>525</u>	<u>635</u>
Total employee benefit expenses		<u>33,192</u>	<u>32,275</u>
Depreciation of property, plant and equipment	8	8,081	9,063
Depreciation of right-of-use assets	10(a)	2,645	2,240
Amortisation of intangible assets (included in cost of sales)	9	<u>1,772</u>	<u>2,492</u>
Depreciation and amortisation expenses		<u>12,498</u>	<u>13,795</u>
Auditor's remuneration			
– Audit services		1,400	1,400
– Non-audit services		400	400
Expenses relating to short-term leases (included in administrative expenses)	10(c)	172	144
Loss on disposal of property, plant and equipment		–	197
Write-off of property, plant and equipment		783	1,494
Write-off of trade and other payables		<u>(5,678)</u>	<u>(1,882)</u>

## 7. INCOME TAX CREDIT

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group was not subject to any income tax in the Cayman Islands and the BVI during the years ended 31 December 2025 and 2024.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the years ended 31 December 2025 and 2024.

The provision for the PRC CIT is based on the respective PRC CIT rates applicable to the subsidiaries located in Chinese Mainland as determined in accordance with the relevant income tax rules and regulations of Chinese Mainland for the year. In general, all these subsidiaries are subject to the PRC CIT rate of 25% during the year ended 31 December 2025, except for subsidiaries in the PRC which are qualified as Small Low-profit Enterprise and thus entitled to a preferential income tax rate of 20%.

Pursuant to the income tax rules and regulations in Singapore, the Group's subsidiary located in Singapore is liable to Singapore corporate income tax at a rate of 17% on the assessable profits generated for the year.

The major components of income tax (credit)/charge are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax charge for the year		
– Chinese Mainland	1,445	1,582
– Singapore	–	(6)
– Under (over) provision in prior year	180	(666)
Deferred tax ( <i>note 13</i> )	<u>(1,884)</u>	<u>(5,412)</u>
Total tax credit for the year	<u><u>(259)</u></u>	<u><u>(4,502)</u></u>

A reconciliation of the tax credit applicable to profit/(loss) before tax at the applicable tax rate for the companies within the Group to the tax charge at the effective tax rate is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit/(Loss) before tax	1,512	(24,591)
Tax at the respective statutory tax rates:		
– Chinese Mainland subsidiaries, at 25%	(1,334)	(6,368)
– the Company and its Hong Kong subsidiaries, at 16.5%	313	562
– Singapore subsidiary, at 17%	9	15
Lower tax rates enacted by local authorities	(1,283)	(1,101)
Expenses not deductible for tax	999	493
Income not subject to tax	(363)	(98)
Tax effect of tax losses not recognised	1,225	552
Adjustments of previous periods reflected in current tax	180	(666)
Utilisation of previously unrecognised tax losses	(5)	–
Write-down of deferred tax assets	<u>–</u>	<u>2,109</u>
Tax credit at the Group's effective tax rate	<u><u>(259)</u></u>	<u><u>(4,502)</u></u>

*Note:*

- (a) Expenses not deductible for tax for the years ended 31 December 2025 and 2024 mainly consist of administrative expenses incurred which are not expected to be deductible for tax.

## 8. PROPERTY, PLANT AND EQUIPMENT

	Buildings <i>RMB'000</i>	Plant and machinery <i>RMB'000</i>	Office equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Mining infrastructure <i>RMB'000</i>	Construction in progress ("CIP") <i>RMB'000</i>	Total <i>RMB'000</i>
<b>31 December 2025</b>							
<b>Cost:</b>							
At 1 January 2025	44,218	35,915	575	2,660	202,471	49,927	335,766
Additions	385	797	10	245	1,489	23,980	26,906
Transferred from CIP	15,119	(37)	-	-	-	(15,082)	-
Write-off	(721)	(531)	-	-	-	-	(1,252)
At 31 December 2025	<u>59,001</u>	<u>36,144</u>	<u>585</u>	<u>2,905</u>	<u>203,960</u>	<u>58,825</u>	<u>361,420</u>
<b>Accumulated depreciation and impairment:</b>							
At 1 January 2025	26,096	20,647	413	1,623	74,785	2,446	126,010
Provided for the year ( <i>note 6</i> )	2,455	1,667	26	423	3,510	-	8,081
Write-off	(220)	(249)	-	-	-	-	(469)
At 31 December 2025	<u>28,331</u>	<u>22,065</u>	<u>439</u>	<u>2,046</u>	<u>78,295</u>	<u>2,446</u>	<u>133,622</u>
<b>Net carrying amount:</b>							
At 1 January 2025	<u>18,122</u>	<u>15,268</u>	<u>162</u>	<u>1,037</u>	<u>127,686</u>	<u>47,481</u>	<u>209,756</u>
At 31 December 2025	<u>30,670</u>	<u>14,079</u>	<u>146</u>	<u>859</u>	<u>125,665</u>	<u>56,379</u>	<u>227,798</u>

	Buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Mining infrastructure RMB'000	Construction in progress ("CIP") RMB'000	Total RMB'000
<b>31 December 2024</b>							
<b>Cost:</b>							
At 1 January 2024	43,441	35,080	575	2,660	205,425	43,258	330,439
Additions	-	1,771	-	-	1,755	12,568	16,094
Transferred from CIP	4,378	1,521	-	-	-	(5,899)	-
Disposal	-	(2,457)	-	-	(4,709)	-	(7,166)
Write-off	(3,601)	-	-	-	-	-	(3,601)
At 31 December 2024	<u>44,218</u>	<u>35,915</u>	<u>575</u>	<u>2,660</u>	<u>202,471</u>	<u>49,927</u>	<u>335,766</u>
<b>Accumulated depreciation and impairment:</b>							
At 1 January 2024	25,784	21,130	381	1,134	70,826	1,488	120,743
Provided for the year (note 6)	1,983	1,386	31	415	5,248	-	9,063
Impairment loss	436	297	1	74	3,181	958	4,947
Disposal	-	(2,166)	-	-	(4,470)	-	(6,636)
Write-off	(2,107)	-	-	-	-	-	(2,107)
At 31 December 2024	<u>26,096</u>	<u>20,647</u>	<u>413</u>	<u>1,623</u>	<u>74,785</u>	<u>2,446</u>	<u>126,010</u>
<b>Net carrying amount:</b>							
At 1 January 2024	<u>17,657</u>	<u>13,950</u>	<u>194</u>	<u>1,526</u>	<u>134,599</u>	<u>41,770</u>	<u>209,696</u>
At 31 December 2024	<u>18,122</u>	<u>15,268</u>	<u>162</u>	<u>1,037</u>	<u>127,686</u>	<u>47,481</u>	<u>209,756</u>

In accordance with the Group's accounting policies, each asset or CGU is evaluated annually at 31 December or biannually to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is made.

In assessing whether an impairment is required, the carrying value of each asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal and VIU. Management has performed impairment assessment on all of the carrying amounts of the Group's property, plant and equipment, intangible assets and right-of-use assets with an indication of impairment identified. For the purpose of impairment assessment, the High-Fe Mining CGU (comprising the property, plant and equipment, the intangible assets and the right-of-use assets of Aba Mining) and the Shigou Gypsum Mine CGU (comprising the property, plant and equipment, and the intangible assets) are treated as separate CGU. The recoverable amounts of High-Fe Mining CGU and Shigou Gypsum Mine CGU were estimated based on its VIU determined by discounting the future cash flows to be generated from the continuing use of these assets. The VIUs calculation use cash flow projections based on a 5-year financial budget approved by the management of the Group as well as factors such as the remaining life of the mines, production plan of the mines, long term growth rate ranging from 2% and 2.5% (2024: between 2% and 2.5%), and pre-tax discount rates ranging between 11.37% and 13.88% (2024: between 11.92% and 16.12%) depending on the nature of each CGU.

In determining some of the key assumptions, Management considered both internal and external sources of information where appropriate. Management considers the estimates applied in this impairment assessment are reasonable. However, such estimates are subject to significant uncertainties and judgements.

Other key assumptions used in the estimation of VIU are as follows:

*Resources* – These represent one of the key factors the management has considered during the impairment testing, which comprise resources (measured, indicated and inferred) estimated, on the basis of appropriate geological evidence and sampling, with reference to the resources statements prepared by appropriate competent persons.

*Commodity prices* – Forecast commodity prices are based on management’s estimates and are derived from forward price curves and long-term views of domestic supply and demand, building on past experience of the industry and consistent with external sources. These prices were adjusted to arrive at appropriate consistent price assumptions for the different qualities and type of commodities, or, where appropriate, contracted prices were applied. These prices are reviewed at least annually.

*Budgeted gross margins* – The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the recent years for High-Fe Mining CGUs and Shigou Gypsum Mine CGUs, adjusted for management’s expectations for possible changes in the production costs and estimated market prices.

*Production volumes* – Estimated production volumes are based on the detailed life of mine plans and take into account development plans of the mine agreed by management as part of the long-term planning process.

*Discount rate* – The discount rates used are pre-tax and reflect specific risks relating to the relevant units.

*Capital requirements* – The determination of estimated capital requirements is based on the expertise of both internal and external technical specialists, after considering, among others, the overall mine design and planning, mining and processing technologies, operational efficiency etc, as applicable.

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

Based on the assessment performed as at 31 December 2024, the recoverable amount of the High-Fe Mining CGU was determined to be lower than its carrying amount. Accordingly, an impairment loss of approximately RMB4,947,000 was recognised in profit or loss and allocated to property, plant and equipment within the CGU. Following the recognition of the impairment loss, the carrying amount of the High-Fe Mining CGU was reduced by approximately RMB4,947,000 as at 31 December 2024.

Based on the impairment assessments performed as at 31 December 2025, the recoverable amounts of the High-Fe Mining CGU and the Shigou Gypsum Mine CGU exceeded their respective carrying amounts, no additional impairment loss was recognised for the year ended 31 December 2025.

## 9. INTANGIBLE ASSETS

	Mining rights <i>RMB'000</i>	Exploration rights and assets <i>RMB'000</i>	Software <i>RMB'000</i>	Total <i>RMB'000</i>
<b>31 December 2025</b>				
<b>Cost:</b>				
At 1 January 2025 and 31 December 2025	<u>956,776</u>	<u>76</u>	<u>237</u>	<u>957,089</u>
<b>Accumulated amortisation and impairment:</b>				
At 1 January 2025	141,462	–	60	141,522
Amortisation provided during the year ( <i>note 6</i> )	<u>1,749</u>	<u>–</u>	<u>23</u>	<u>1,772</u>
At 31 December 2025	<u>143,211</u>	<u>–</u>	<u>83</u>	<u>143,294</u>
<b>Net carrying amount:</b>				
At 1 January 2025	<u>815,314</u>	<u>76</u>	<u>177</u>	<u>815,567</u>
At 31 December 2025	<u>813,565</u>	<u>76</u>	<u>154</u>	<u>813,795</u>
	Mining rights <i>RMB'000</i>	Exploration rights and assets <i>RMB'000</i>	Software <i>RMB'000</i>	Total <i>RMB'000</i>
<b>31 December 2024</b>				
<b>Cost:</b>				
At 1 January 2024	956,776	–	237	957,013
Additions	<u>–</u>	<u>76</u>	<u>–</u>	<u>76</u>
At 31 December 2024	<u>956,776</u>	<u>76</u>	<u>237</u>	<u>957,089</u>
<b>Accumulated amortisation and impairment:</b>				
At 1 January 2024	134,842	–	36	134,878
Amortisation provided during the year ( <i>note 6</i> )	2,468	–	24	2,492
Impairment loss	<u>4,152</u>	<u>–</u>	<u>–</u>	<u>4,152</u>
At 31 December 2024	<u>141,462</u>	<u>–</u>	<u>60</u>	<u>141,522</u>
<b>Net carrying amount:</b>				
At 1 January 2024	<u>821,934</u>	<u>–</u>	<u>201</u>	<u>822,135</u>
At 31 December 2024	<u>815,314</u>	<u>76</u>	<u>177</u>	<u>815,567</u>

As at 31 December 2025, the mining rights of Maoling-Yanglongshan Mine with a net carrying amount of RMB163,857,000 (2024: RMB165,606,000) were pledged to secure the Group's bank loans (note 20(a)).

An impairment assessment of the mining rights was performed together with the related property, plant and equipment (as disclosed in note 8), as these assets form part of the High-Fe Mining CGU.

Based on the assessment performed for the year ended 31 December 2024, the recoverable amount of the High-Fe Mining CGU was determined to be lower than its carrying amount. Accordingly, an impairment loss of approximately RMB4,152,000 was recognised in profit or loss and allocated to the mining rights within the CGU. Following the recognition of the impairment loss, the carrying amount of the mining rights was reduced by approximately RMB4,152,000 as at 31 December 2024.

Based on the impairment assessment performed as at 31 December 2025, the recoverable amount of the High-Fe Mining CGU exceeded its carrying amount. Accordingly, no additional impairment loss was recognised in respect of the mining rights for the year ended 31 December 2025.

## 10. LEASES

### The Group as a lessee

The Group has lease contracts for office premises and various items of plant and machinery used in its operations. During the reporting period, the Group entered into certain long-term lease contracts for items of plant and machinery. Leases of office premises have lease term within 3 years. Leases of plant and machinery generally have lease term between 1 and 20 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

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

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	<b>Office premises RMB'000</b>	<b>Plant and machinery RMB'000</b>	<b>Total RMB'000</b>
As at 1 January 2025	554	20,206	20,760
Addition	–	2,640	2,640
Depreciation charge ( <i>note 6</i> )	(310)	(2,335)	(2,645)
Exchange realignment	15	–	15
<b>As at 31 December 2025</b>	<b>259</b>	<b>20,511</b>	<b>20,770</b>
	<b>Office premises RMB'000</b>	<b>Plant and machinery RMB'000</b>	<b>Total RMB'000</b>
As at 1 January 2024	864	22,144	23,008
Depreciation charge ( <i>note 6</i> )	(302)	(1,938)	(2,240)
Exchange realignment	(8)	–	(8)
<b>As at 31 December 2024</b>	<b>554</b>	<b>20,206</b>	<b>20,760</b>

**(b) Lease liabilities**

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount at 1 January	21,083	23,213
New lease	2,640	–
Accretion of interest recognised during the year ( <i>note 5</i> )	1,076	1,091
Payments	(3,667)	(3,213)
Exchange realignment	15	(8)
	<u>21,147</u>	<u>21,083</u>
Carrying amount at 31 December	<u>21,147</u>	<u>21,083</u>
Analysed into:		
Current portion	2,019	2,226
Non-current portion	19,128	18,857
	<u>21,147</u>	<u>21,083</u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities ( <i>note 5</i> )	1,076	1,091
Depreciation charge of right-of-use assets ( <i>note 10(a)</i> )	2,645	2,240
Expense relating to short-term leases (included in administrative expenses) ( <i>note 6</i> )	172	144
	<u>3,893</u>	<u>3,475</u>
Total amount recognised in profit or loss	<u>3,893</u>	<u>3,475</u>

**11. INTERESTS IN JOINT VENTURES**

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount at 1 January	4,180	–
Investments, at cost	–	2,500
Share of profit and total comprehensive income of joint ventures	833	1,680
	<u>5,013</u>	<u>4,180</u>
Carrying amount at 31 December	<u>5,013</u>	<u>4,180</u>

As at 31 December 2025, the Group had interests in the following joint ventures:

Name of joint ventures	Place of incorporation/ registration/ and business	Registered share capital	Percentage of equity interests attributable to the Company	Principal activities
Sichuan Shengjiawei Property Service Co., Ltd.* ("Sichuan Shengjiawei")	PRC	RMB5,000,000	50% <sup>(a)</sup>	Facility management services
Sichuan Yufengwei Property Service Co., Ltd.* ("Sichuan Yufengwei")	PRC	RMB5,000,000	50% <sup>(b)</sup>	Facility management services

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

*Notes:*

- (a) On 7 December 2024, an indirectly wholly-owned subsidiary of the Company, Sichuan Lingwei, has entered into a capital contribution agreement with an independent third party (the "JV partner 1") to incorporate a joint venture company, namely Sichuan Shengjiawei, with nil identifiable assets, pursuant to which the Group and the JV partner 1, an independent third party, held as to 50% and 50%, respectively. Pursuant to the capital contribution agreement, each of Sichuan Lingwei and the JV partner 1 is entitled to appoint 2 out of 4 board members of Sichuan Shengjiawei and the key strategic financial and operating decisions in relation to Sichuan Shengjiawei's operation require the unanimous consent of all board members. In the opinion of the Directors, these key decisions are related to the activities that significantly affect the returns of Sichuan Shengjiawei. Accordingly, neither Sichuan Lingwei nor the JV partner 1 has the ability to control Sichuan Shengjiawei unilaterally and Sichuan Shengjiawei is therefore considered as jointly controlled by Sichuan Lingwei and the JV partner 1. As the Group has rights to the net assets of the joint arrangement, Sichuan Shengjiawei is accounted for as a joint venture of the Group.
- (b) On 7 December 2024, an indirectly wholly-owned subsidiary of the Company, Sichuan Lingwei, has entered into a capital contribution agreement with an independent third party (the "JV partner 2") to incorporate a joint venture company, namely Sichuan Yufengwei, with nil identifiable assets, pursuant to which the Group and the JV partner 2, an independent third party, held as to 50% and 50%, respectively. Pursuant to the capital contribution agreement, each of Sichuan Lingwei and the JV partner 2 is entitled to appoint 2 out of 4 board members of Sichuan Yufengwei and the key strategic financial and operating decisions in relation to Sichuan Yufengwei's operation require the unanimous consent of all board members. In the opinion of the Directors, these key decisions are related to the activities that significantly affect the returns of Sichuan Yufengwei. Accordingly, neither the Sichuan Lingwei nor the JV partner 2 has the ability to control Sichuan Yufengwei unilaterally and Sichuan Yufengwei is therefore considered as jointly controlled by Sichuan Lingwei and the JV partner 2. As the Group has rights to the net assets of the joint arrangement, Sichuan Yufengwei is accounted for as a joint venture of the Group.

### **Relationship with joint ventures**

Sichuan Shengjiawei and Sichuan Yufengwei are engaged in the provision of facility management services in PRC, which could allow the Group to leverage the facilities management expertise of other joint venturers to expand the Group's facility management business.

### **Fair value of investments**

Sichuan Shengjiawei and Sichuan Yufengwei are not listed and there is no quoted market price available for the investments.

## Financial information of joint ventures

The table below shows, in aggregate, the carrying amount and the Group's share of results of joint ventures that are not individually material and accounted for using the equity method.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount of interests	<u>5,013</u>	<u>4,180</u>
	<b>Year ended 31 December 2025 <i>RMB'000</i></b>	<b>Year ended 31 December 2024 <i>RMB'000</i></b>
Group's share of profit and total comprehensive income for the year	<u>833</u>	<u>1,680</u>

## 12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Current portion:</i>			
Prepayments consisting of:			
Purchase of raw materials	<i>(a)</i>	39,485	103,187
Utilities		121	167
Other prepayments		908	863
Other receivables consisting of:			
Deductible value-added tax input		1,252	887
Other receivables		<u>3,717</u>	<u>3,310</u>
Impairment allowance	<i>(b)</i>	<u>45,483</u> <u>(235)</u>	<u>108,414</u> <u>(235)</u>
		<u>45,248</u>	<u>108,179</u>
<i>Non-current portion:</i>			
Prepayment for the maintenance of a road		<u>323</u>	<u>373</u>
		<u>45,571</u>	<u>108,552</u>

Notes:

- (a) The balance represents prepayment for purchase of steels for trading business to suppliers, independent third parties in accordance with the terms of contract.
- (b) The movements in the loss allowance for impairment of financial assets included in prepayments, other receivables and other assets are as follows:

	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b>
At beginning of year	<b>235</b>	606
Reversal of impairment loss	<u>—</u>	<u>(371)</u>
At end of year	<b><u>235</u></b>	<b><u>235</u></b>

Where applicable, impairment analysis is performed at each reporting date by considering expected credit losses, which are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

### 13. DEFERRED TAX

The movements in deferred tax assets during the year are as follows:

	Losses available for offsetting against taxable profits <b>RMB'000</b>	Excess tax depreciation over book value of fixed assets <b>RMB'000</b>	Provision for rehabilitation <b>RMB'000</b>	Provision for impairment <b>RMB'000</b>	Others <b>RMB'000</b>	Total <b>RMB'000</b>
At 1 January 2024	2,109	2,772	783	765	790	7,219
Deferred tax credited/(charged) to profit or loss during the year (note 7)	<u>(398)</u>	<u>2,084</u>	<u>252</u>	<u>3,449</u>	<u>25</u>	<u>5,412</u>
Deferred tax assets at 31 December 2024	<b><u>1,711</u></b>	<b><u>4,856</u></b>	<b><u>1,035</u></b>	<b><u>4,214</u></b>	<b><u>815</u></b>	<b><u>12,631</u></b>
At 1 January 2025	1,711	4,856	1,035	4,214	815	12,631
Deferred tax credited/(charged) to profit or loss during the year (note 7)	<u>6,068</u>	<u>(3,219)</u>	<u>195</u>	<u>(1,173)</u>	<u>13</u>	<u>1,884</u>
Deferred tax assets at 31 December 2025	<b><u>7,779</u></b>	<b><u>1,637</u></b>	<b><u>1,230</u></b>	<b><u>3,041</u></b>	<b><u>828</u></b>	<b><u>14,515</u></b>

For the purpose of presentation in the consolidated financial statements, the following is the analysis of the deferred taxation:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Deferred tax assets	<b>18,810</b>	13,111
Deferred tax liabilities	<b>(4,295)</b>	(480)
	<b>14,515</b>	12,631

As at 31 December 2025, the Group has tax losses arising from Chinese Mainland of RMB13,940,000 (2024: RMB409,915,000) that would expire in one to five years and other deductible temporary differences of RMB112,153,000 (2024: RMB112,153,000) that were available for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as it is not considered probable that taxable profits will be available against which they can be utilised.

Deferred tax assets related to the PRC subsidiaries have been provided at the enacted corporate income tax rate of 25%.

Pursuant to the income tax rules and regulations of the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement has been effective from 1 January 2008 and applied to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. The withholding tax rate for the Group is 10%.

As at 31 December 2025, no deferred tax liability has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

#### 14. INVENTORIES

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	<b>6,928</b>	10,848
Spare parts and consumables	<b>6,284</b>	5,713
Finished goods	<b>1,253</b>	5,266
Costs to fulfil contracts	<b>172</b>	3,190
	<b>14,637</b>	25,017
Less: Write-down of inventories	-	(4,691)
	<b>14,637</b>	20,326

## 15. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	161,621	75,494
Bills receivable	319	–
	<u>161,940</u>	<u>75,494</u>

The Group's trading terms with its customers are mainly on credit. During the year, the Group granted credit terms ranging from one month to four months (2024: one month to four months) to its customers. Trade receivables are non-interest-bearing and unsecured.

An ageing analysis of the trade receivables as at the end of each reporting period, based on the date of revenue recognised, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	99,266	74,779
3 to 6 months	60,896	705
6 to 9 months	477	10
9 to 12 months	858	–
Over 1 year	124	–
	<u>161,621</u>	<u>75,494</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by customer type and rating). The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due and are not subject to enforcement activity.

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

### As at 31 December 2025

	Current	Past due	Total
Expected credit loss rate	–	–	–
Gross carrying amount (RMB'000)	99,266	62,355	161,621
Expected credit losses (RMB'000)	<u>–</u>	<u>–</u>	<u>–</u>

As at 31 December 2024

	Current	Past due	Total
Expected credit loss rate	–	–	–
Gross carrying amount (RMB'000)	74,779	715	75,494
Expected credit losses (RMB'000)	–	–	–

#### Transfers of financial assets that are not derecognised in their entirety

The Group endorsed bank acceptance bills to its suppliers for settling trade payables of the same amounts on a full recourse basis. All bank acceptance bills had a maturity term from one to six months at the end of the reporting period. The bank acceptance bills with a total carrying amount of RMB319,000 (2024: Nil) endorsed by the Group to its suppliers as at 31 December 2025 to settle trade payables of the same amounts, were not derecognised. In the opinion of the Directors, the Group retained substantially all risks and rewards of these bank acceptance bills, and accordingly, it continued to recognise the full carrying amounts of these bills receivable and the associated liabilities.

#### 16. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash and bank balances	9,263	11,906
Less: pledged time deposits for issue of bills payable	<u>(25)</u>	<u>(25)</u>
Cash and cash equivalents	<u>9,238</u>	<u>11,881</u>

The Group's cash and bank balances are denominated in RMB at the end of each reporting period, except for the following:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash and bank balances denominated in:		
HKD	78	769
SGD	<u>70</u>	<u>273</u>

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

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

## 17. TRADE PAYABLES

An ageing analysis of the trade payables of the Group as at the end of the reporting period, based on the invoice date or issuance date, where appropriate, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 180 days	34,357	22,878
181 to 365 days	13,351	32,567
1 to 2 years	11,277	2,663
2 to 3 years	1,638	1,451
Over 3 years	4,078	4,026
	<u>64,701</u>	<u>63,585</u>

Trade payables of the Group are non-interest-bearing and are normally settled within 180 days.

## 18. CONTRACT LIABILITIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Advances received from customers		
Sale of self-produced high-grade iron concentrates	<u>34,773</u>	<u>22,097</u>

The movement of contract liabilities for the years ended 31 December 2025 and 2024 was mainly due to the increase in advances received from customers in relation to the sale of self-produced high-grade iron concentrate at the end of the year.

Changes in contract liabilities during the reporting periods are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At 1 January	22,097	28,883
Revenue recognised that was included in the contract liabilities at the beginning of year	(1,831)	(4,648)
Increase due to cash received, excluding amounts recognised as revenue during the year	14,576	1,905
Decrease due to cash refunded during the year	(69)	(4,043)
At 31 December	<u>34,773</u>	<u>22,097</u>
Analysed into:		
Current portion	4,773	2,097
Non-current portion	<u>30,000</u>	<u>20,000</u>

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as non-current based on the Group's earliest obligation to transfer goods or services to the customers.

## 19. OTHER PAYABLES AND ACCRUALS

	<i>Note</i>	<b>2025</b> <b>RMB'000</b>	2024 RMB'000
<i>Current portion:</i>			
Payables related to:			
Construction in progress		<b>25,255</b>	13,832
Taxes other than income tax		<b>5,577</b>	1,907
Exploration and evaluation assets		<b>4,007</b>	9,121
Payroll and welfare payable		<b>18,544</b>	14,529
Consultancy and professional services fees		<b>1,319</b>	1,174
Mining right payable	<i>(a)</i>	<b>4,692</b>	4,473
Deposits received		<b>453</b>	668
Accrued government surcharges		<b>4,529</b>	4,529
Accrued interest expenses		<b>147</b>	2
Other payables		<b>39,496</b>	13,346
		<b>104,019</b>	63,581
<i>Non-current portion:</i>			
Mining right payable	<i>(a)</i>	<b>27,095</b>	31,787
Other payable		<b>17,306</b>	30,680
Accrued interest expenses		<b>–</b>	639
		<b>44,401</b>	63,106
		<b>148,420</b>	126,687

*Note:*

- (a) The balance of mining right payable as at 31 December 2025 represented the remaining balance of mining right payable of approximately RMB37,450,000 (equivalents to a present value of approximately RMB31,787,000) (2024: RMB43,700,000 (equivalents to a present value of approximately RMB36,260,000) for resource integration process of mining rights to the relevant PRC government authority, which the remaining balance is scheduled to be paid over six annual instalments up to 31 December 2031.

## 20. INTEREST-BEARING BANK AND OTHER BORROWINGS

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank loans – Secured	<i>(a)</i>	<b>68,100</b>	69,600
Bank loans – Unsecured	<i>(b)</i>	<b>3,000</b>	2,800
Other borrowings – Unsecured	<i>(c)</i>	<b>10,910</b>	19,044
		<b>82,010</b>	91,444
<b>Analysed into:</b>			
<i>Bank loans repayable:</i>			
Within one year		<b>4,000</b>	72,400
In the second year		<b>67,100</b>	–
		<b>71,100</b>	72,400
<i>Other borrowings repayable:</i>			
Within one year		–	–
In the second year		<b>10,910</b>	19,044
		<b>10,910</b>	19,044
Total bank and other borrowings		<b>82,010</b>	91,444
Balances classified as current liabilities		<b>(4,000)</b>	(72,400)
Balances classified as non-current liabilities		<b>78,010</b>	19,044
		<b>2025</b>	2024
		<i>(Effective interest rate)</i>	
Bank loans		<b>3.00% - 3.23%</b>	3.35% - 3.55%
Other borrowings		<b>4.00%</b>	4.00%

### *Notes:*

- (a) As at 31 December 2025, the Group's bank loan of RMB68,100,000 (2024: RMB69,600,000) are secured by:
- (i) Mining rights of Maoling-Yanglongshan Mine with a net carrying amount of RMB163,857,000 (2024: RMB165,606,000) (note 9); and
  - (ii) 100% equity of Aba Mining held by Sichuan Lingyu.
- (b) The balance as at 31 December 2025 represented one year loans granted by financial institutions to Sichuan Lingwei at the annual interest rate of 3.23% (2024: 3.55%). These loans were unsecured with repayment terms of one year.
- (c) The balance as at 31 December 2025 represented long-term loans granted by an independent third party to Aba Mining at the annual interest rates of 4.00% (2024: 4.00%). These loans were unsecured with repayment terms of two years (2024: repayment terms of two years).

## 21. PROVISION FOR REHABILITATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	15,843	15,303
Unwinding of discount ( <i>note 5</i> )	495	778
Utilisation during the year	<u>(141)</u>	<u>(238)</u>
At end of year	<u><u>16,197</u></u>	<u><u>15,843</u></u>

## 22. SHARE CAPITAL

	2025	2024
<b>Number of ordinary shares</b>		
Authorised ordinary shares of HKD0.1	10,000,000,000	10,000,000,000
Issued and fully paid ordinary shares of HKD0.1	<u><u>2,249,015,410</u></u>	<u><u>2,249,015,410</u></u>
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Amounts</b>		
Issued and fully paid ordinary shares of HKD0.1	<u><u>197,889</u></u>	<u><u>197,889</u></u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Issued capital <i>RMB'000</i>
At 1 January 2025 and 31 December 2025	<u><u>2,249,015,410</u></u>	<u><u>197,889</u></u>

## 23. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 2,249,015,410 (2024: 2,249,015,410) in issue during the year ended 31 December 2025.

During the year ended 31 December 2025, there were no potential dilutive ordinary shares in issue, and therefore, the diluted loss per share is the same as the basic loss per share during the current year. During the year ended 31 December 2024, no adjustment has been made to the basic loss per share amounts presented in respect of a dilution as the exercise prices of the Company's outstanding share options were higher than the average market prices for the Company's shares.

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is an extract of independent auditor’s report issued by the Company’s independent auditor:

### ***“Opinion***

*In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.”*

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **MARKET REVIEW**

During the Period, the Group observed the following industry developments and market statistics:

In 2025, the global economy demonstrated notable resilience despite intensified trade tensions, elevated policy uncertainty, and persistent geopolitical risks. Strong technology-driven investment and accommodative financial conditions largely offset headwinds from shifting trade policies and geopolitical uncertainties. Inflation moderated across many advanced economies, though downside risks persisted from trade frictions, fiscal concerns, and climate-related shocks. As a result, global growth is projected at 3.3% in 2026 and 3.2% in 2027, remaining broadly stable relative to the estimated 3.3% in 2025 and reflecting a resilient yet subdued performance.

According to China’s National Bureau of Statistics, the preliminary accounting figures for China’s gross domestic product (“GDP”) in 2025 indicated 5.0% growth, reaching RMB140.19 trillion, thereby successfully achieving the official annual target set by the Chinese Government. This performance was supported by resilient export diversification and targeted policy measures. However, quarterly data revealed moderating momentum, with growth decelerating from 5.4% in 1Q2025 to 4.5% in 4Q2025. Despite the headline achievement, domestic effective demand remained subdued, the recovery in consumption and investment continued to be uneven, and the foundation for sustained, robust growth requires further strengthening and consolidation.

The World Bank Group and the International Monetary Fund (“IMF”) project China’s economic growth to moderate to 4.4% and 4.5% respectively, reflecting persistent headwinds from property sector adjustment, weaker domestic demand, and global trade uncertainties. Downside risks include prolonged real estate weakness, soft labor markets constraining income growth, and potential external policy shifts. Meanwhile, the World Bank Group emphasizes that China’s economic growth in the coming years will increasingly depend on strengthening domestic demand. In addition to short-term fiscal stimulus, advancing structural reforms in the social protection system and creating a stable environment for businesses can help boost household and private sector confidence, support sustainable consumption and investment, and promote more resilient, balanced, high-quality growth.

In 2025, China’s steel industry faced ongoing pressure from the protracted downturn in the property sector, leading to reduced demand for construction steel. Steel consumption declined notably, with overall apparent steel demand estimated to have fallen amid weak infrastructure and real estate activity. The industry continued to implement production controls in line with government policies on energy saving and carbon reduction. Crude steel production for the full year 2025 decreased by 4.4% to 960.8 million tonnes, marking the lowest level since 2018. Oversupply persisted despite output curbs, and the manufacturing sector provided partial offset, though the industry will continue facing challenges heading into 2026 as demand is expected to moderate further.

China’s steel prices remained weak throughout 2025, featuring an ‘inverted N’ trend with a year-over-year decline in the annual average but noticeably narrower volatility than in 2024, resulting in relative market stability. The Chinese Steel Price Index (“CSPI”) decreased from 96.09 in January 2025 to 92.03 in December 2025, representing a 4.2% year-over-year decrease. The downward pressure stemmed mainly from persistent oversupply, weak real estate demand, seasonal off-peak effects, and a supply-demand imbalance that dominated the market, driving steady declines in 1H2025 and reaching the bottom 90.10 in June 2025. A significant rebound in July 2025 was driven by expectations of “anti-involution” policies to curb excessive competition and overcapacity, but slower-than-expected demand recovery limited its duration, leading to narrow consolidation in December 2025.

In 2025, China’s Purchasing Managers’ Index (“PMI”) demonstrated an unsteady downward trend, however, it remained mostly above the 50% threshold, indicating generally stable to mildly expanding production and business activities amid policy support and economic fluctuations. Notably, the PMI for the Chinese steel sector was 46.3% in December 2025, which stood in stark contrast to the broader favorable market environment; thus indicating that the steel industry continues to face substantial pressure from weak domestic consumption, excess capacity, seasonal winter slowdowns, and subdued real estate activity.

In 2025, China introduced comprehensive policy measures to stabilise growth and advance high-quality development in the steel industry. The Steel Industry Steady Growth Work Plan\* (2025-2026) (《鋼鐵行業穩增長工作方案(2025-2026年)》), jointly released by five Ministries, including the Ministry of Industry and Information Technology (“MIIT”), targets an average annual added value growth of about 4% over the two-year period. The Plan emphasizes strict control on new capacity, differentiated output management, reorganizations, ultra-low emissions retrofits, expanded downstream steel applications, high-end product development and enhanced export coordination. Complementing with the Plan, the Updated Steel Industry Norms\* (2025 Edition) (《鋼鐵行業規範條件(2025年版)》) by MIIT impose stricter environmental, energy efficiency and technical standards, meanwhile mandating phased elimination of outdated capacity and support further consolidation, improving competitiveness and structural efficiency. Collectively, these measures aim to address supply-demand imbalances, accelerate green and low-carbon transition, and support sustainable industry restructuring.

According to the 2025 China Property Management Market Summary & 2026 Trends Outlook\* (《2025中國物業管理市場總結&2026趨勢展望》), released by the China Index Academy, China’s property management industry in 2025 shifted from scale-driven expansion to rational, quality-oriented development amid continued real estate adjustments and the 14th to the 15th Five-Year Plan transition. In August 2025, the State Council of the People’s Republic of China issued the Opinions on Promoting High-Quality Urban Development\* (《關於推動城市高質量發展的意見》), positioning property management as integral to improving urban living standards, strengthening grassroots governance and supporting integrated urban renewal, in line with the broader shift toward people-centered, high-quality urbanization.

Looking ahead to 2026, as China embarks on its 15th Five-Year Plan, the steel industry is likely to undergo significant transformations. Greater emphasis is anticipated on product structure upgrading, green transformation, digitalization and intelligent manufacturing, alongside measures aimed at enhancing operational efficiency and profitability. These structural reforms are expected to strengthen industry resilience and competitiveness amid a challenging global environment.

## BUSINESS AND OPERATIONS REVIEW

### Operation and Financial Overview

The Group, despite temporary suspension of its operations for the Mining Site Upgrade and Capacity Expansion (as defined below) in the second half of 2025, recorded growth in revenue and gross profit during the Reporting Period, primarily driven by higher sales volumes of high-grade iron concentrates and increased steel trading activities.

As previously announced, in the second half of 2025, the Group commenced an upgrading project in the mining area of the Maoling–Yanglongshan Mine (the “Mining Site Upgrade and Capacity Expansion”). As part of the upgrade, certain mining activities have been temporarily suspended (the “Temporary Suspension”), which may affect its overall operating performance during the transitional period. The project is expected to be completed within approximately 15 months from the last quarter of 2025, subject to construction progress, regulatory processes and prevailing site conditions.

For FY2025, compared to FY2024:

- the production and sales volume of high-grade iron concentrates increased by approximately 1.3% and 10.5%, respectively;
- the average selling price for high-grade iron concentrates decreased by approximately 8.7%; and
- the steels trading volume increased by approximately 14.2% to approximately 170.0Kt in FY2025, with a decrease in average selling price by approximately 9.4%.

Meanwhile, the Group’s revenue from facility management was approximately RMB19.7 million for FY2025 (FY2024: RMB20.5 million), which remained relatively constant.

Overall, the Group’s revenue growth and improved gross margin resulted in the gross profit of approximately RMB17.2 million for FY2025 (FY2024: RMB14.2 million).

Other income and gains increased to approximately RMB17.4 million (FY2024: RMB12.4 million) mainly due to derecognition of certain payables and higher guarantee fee income. Other expenses decreased to approximately RMB5.2 million (FY2024: RMB10.0 million) mainly in the absence of loss on disposal of fixed assets and certain non-recurring expenses, which incurred in FY2024. Administrative expenses decreased to approximately RMB17.9 million for FY2025 (FY2024: RMB19.1 million) on operating cost control.

As a result, the Group reported a significantly lower Net Loss of approximately RMB0.1 million for FY2025 (FY2024: RMB20.7 million); and higher net cash flow from operating activities of RMB34.8 million (FY2024: RMB26.2 million).

Details of the financial performance of the Group are set out on page 41 of this announcement.

## Overview of Mines

Please refer to the table below for the status of the mine operations which are owned and operated by the Group.

Mines	Processing Plant	Status as at 31 December 2025
Maoling-Yanglongshan Mine	Maoling Processing Plant	Producing iron concentrates of high Fe contents ( <i>within the range of 65% TFe to 72% TFe</i> )
Shigou Gypsum Mine	N/A	Assessing and evaluating development and mining plans

The following table summarises the transacted volumes for (i) trading sales; and (ii) sale of self-produced products of the Group:

	Purchase from an independent third party			Sale to independent third parties <sup>(1)</sup>		
	FY2025 (Kt)	FY2024 (Kt)	Change %	FY2025 (Kt)	FY2024 (Kt)	Change %
(i) Trading Sales						
Steels	<u>170.0</u>	<u>148.9</u>	14.2	<u>170.0</u>	<u>148.9</u>	14.2
	Production volume (Dry basis)			Sales volume (Dry basis) <sup>(1)</sup>		
	FY2025 (Kt)	FY2024 (Kt)	Change %	FY2025 (Kt)	FY2024 (Kt)	Change %
(ii) Sale of Self-produced Products						
High-grade iron concentrates	<u>63.5</u>	<u>62.7</u>	1.3	<u>65.0</u>	<u>58.8</u>	10.5

### Notes:

- In general, the Group's customers for the above business segments have been highly concentrated given its business strategy. Specifically, the Group supplies steels and iron-related products in bulk to customers who have good credit records and require stable supply. The Group's core strategy emphasises on staying competitive, maintaining optimal business volumes with customers backed by good repayment records, while achieving profitability and generating operating cash flows without overstressing its working capital. The Group has also adopted prudent internal credit assessment policies to ensure that there will not be any significant changes in the credit risk profiles of its potential customers. In view of the heightened credit risk environment in China, the Group has remained cautious in diversifying its customer base.
- The trading business serves as an extension of the Group's core mining operations within its supply chain management. Given the working capital requirements and industry norms, the trading business generally operates on an indent basis whereby goods are procured only after customer orders are confirmed in order to minimise inventory risks and reduce capital lock-in, which aligns with industry practices to mitigate financial exposure, especially in markets with fluctuating demand. The trading business model has typically been high volumes, low margins due mainly to the inherent nature of industrial steel being a low-margin commodity.

## Business Risks and Uncertainties

The following is a list of principal risks and uncertainties that are of significance, which may bring potential significant impacts to the Group's businesses, results of operations and financial conditions. However, this is non-exhaustive as there may be other risks and uncertainties arising from changes in economic and other conditions over time:

- **Dynamic macroeconomic environment** – the macro business environment in which the Group operates is highly dynamic; any adverse change in market conditions for sale of iron concentrates and trading of steels may materially affect the businesses of the Group;
- **Price fluctuations and market sentiment** – price fluctuations of iron concentrates, variations in capacity utilisation rates, and shifts in market sentiment influenced by geopolitical tensions and demand changes may result in re-assessment of the valuation of the intangible assets (in relation to exploration and/or mining rights), potentially leading to impairment losses due to decreased value-in-use and reduced economic returns as may be derived from the related cash-generating units;
- **Regulatory changes** – changes in government policies, laws and regulations in the PRC may affect the Group's operational practices and/or result in additional compliance costs;
- **Credit risk exposure** – weak market demand, challenging business environment and real estate crisis may lead to more stringent terms and restrictive financial covenants being imposed by financiers on any corporate refinancing and debts restructuring plans, as applicable. Such conditions could further result in a liquidity crunch and exacerbate credit risk conditions, which could potentially lead to broader industry spillovers;
- **Strategy implementation and resource allocation** – delays or deviations in executing growth and transformation strategies, or in reallocating resources, may affect the Group's operational efficiency and financial results; and
- **Guarantee obligations** – the outcomes of ongoing litigations against the Company's former subsidiaries for indebtedness owing to certain financial institutions, on which the Company has provided corporate guarantees, remain uncertain, which may require the Company to take further legal actions and vigorously pursue its rights against the former subsidiaries or other parties, if it suffers any financial losses arising from such guarantees. Please refer to the section headed "Contingent Liabilities and Financial Guarantees" in this announcement for further details.

## FINANCIAL REVIEW

	<b>FY2025</b> <b>RMB'000</b>	FY2024 <i>RMB'000</i>	Variance %
<b>Revenue</b>	<b>557,885</b>	542,490	2.8
Cost of sales	<u>(540,689)</u>	<u>(528,287)</u>	2.3
<b>Gross profit</b>	<b>17,196</b>	14,203	21.1
Other income and gains	<b>17,388</b>	12,402	40.2
Selling and distribution expenses	<b>(4,916)</b>	(2,667)	84.3
Administrative expenses	<b>(17,914)</b>	(19,064)	(6.0)
Other expenses	<b>(5,220)</b>	(9,976)	(47.7)
Reversal of impairment losses on other receivables	–	371	(100.0)
Impairment losses and write-down	–	(13,790)	(100.0)
– Inventories	–	(4,691)	(100.0)
– Property, plant and equipment	–	(4,947)	(100.0)
– Intangible assets	–	(4,152)	(100.0)
Finance costs	<b>(5,855)</b>	(7,750)	(24.5)
Share of results of joint ventures	<b>833</b>	1,680	(50.4)
<b>Profit/(Loss) before tax</b>	<b>1,512</b>	(24,591)	(106.1)
Income tax credit	<b>259</b>	4,502	(94.2)
<b>Profit/(Loss) for the year</b>	<b><u>1,771</u></b>	<b><u>(20,089)</u></b>	(108.8)
<b>ATTRIBUTABLE TO:</b>			
Owners of the Company	<b>(142)</b>	(20,662)	(99.3)
Non-controlling interests	<b>1,913</b>	573	233.9
	<b><u>1,771</u></b>	<b><u>(20,089)</u></b>	108.8

### Revenue

Revenue increased to approximately RMB557.9 million for FY2025 (FY2024: RMB542.5 million), primarily due to (i) increased sales volumes of high-grade iron concentrates; and (ii) higher level of steel trading activities.

In recognising revenue from the trading business, the Group applies the accounting policy in accordance with IFRS 15 *Revenue from Contracts with Customers*. The trading business is an extension of the Group's core mining operations within its supply chain management. Given the working capital requirements and industry norms, the trading business generally operates on an indent basis. Under this model, goods are procured only after customer orders are confirmed, minimising inventory risks and reducing capital lock-in. This approach aligns with industry practices to mitigate financial exposure, especially in markets with fluctuating demand. The trading business model has typically been high volumes, low margins due mainly to the inherent nature of industrial steel being a low-margin commodity.

### **Cost of Sales**

Cost of sales mainly comprises direct materials, labour, utilities, repair and maintenance, depreciation, amortisation, environmental compliance costs, contracting fees for mining and stripping, cost of processing mine tailings, and trading purchase.

For FY2025, cost of sales increased to approximately RMB540.7 million (FY2024: RMB528.3 million) on the back of higher revenue.

### **Gross Profit and Margin**

The Group recorded a higher gross profit of approximately RMB17.2 million for FY2025 (FY2024: RMB14.2 million), primarily attributable to the High-Fe Mining Operations, where a lower stripping ratio improved cost performance during the year. As a result, overall gross profit margin increased to approximately 3.1% for FY2025 (FY2024: 2.6%).

### **Other Income and Gains**

Other income and gains increased to approximately RMB17.4 million for FY2025 (FY2024: RMB12.4 million) primarily due to (i) derecognition of certain payables amounting to approximately RMB5.7 million (FY2024: RMB1.9 million); and (ii) guarantee fee income of RMB10.0 million (FY2024: RMB8.6 million) for the provision of the CVT Guarantees under the 2025 Master Guarantee Agreement. Please refer to the section headed "Contingent Liabilities and Financial Guarantees" in this announcement for further details.

### **Selling and Distribution Expenses**

Selling and distribution expenses, which comprise mainly delivery, logistics, storage and warehousing costs, increased to approximately RMB4.9 million for FY2025 (FY2024: RMB2.7 million) primarily due to higher warehousing and logistics costs associated with mine tailings.

### **Administrative Expenses**

Administrative expenses, which comprise mainly staff related expenses, professional fees and other fixed operating overheads, decreased to approximately RMB17.9 million for FY2025 (FY2024: RMB19.1 million) through cost control.

## **Other Expenses**

Other expenses declined to approximately RMB5.2 million for FY2025 (FY2024: RMB10.0 million) mainly in the absence of loss on disposal of fixed assets and certain non-recurring expenses incurred in FY2024.

## **Reversal of impairment losses on trade and other receivables**

No reversal of impairment loss on trade and other receivables was recognised during FY2025 (FY2024: RMB0.4 million).

## **Impairment Losses and Write-down**

No impairment loss and write-down was recognised during FY2025 (FY2024: RMB13.8 million). The management of the Group will continue to assess the underlying assumptions applicable to its business projections (subject to regular reviews and revisions in relation to impairment tests) if there are factors indicating that the business conditions relating to the Group's CGU may deteriorate to a level which requires accounting impairment as a result of the market forces.

## **Finance Costs**

Finance costs (comprise mainly the cost of funds and/or interests for working capital loans, interest on lease liabilities, accounting effects for unwinding discount of reclamation obligations, and long term payables), decreased by approximately 24.5% to approximately RMB5.9 million for FY2025 (FY2024: RMB7.8 million). The decrease was mainly attributable to (i) a reduction in the annual interest rate applicable to Aha Mining from approximately 3.4% per annum to 3.0% per annum following a refinancing arrangement in July of 2025, in line with the broader decline in cost of funds in China; and (ii) a repayment in principal balances as part of the refinancing arrangement.

## **Share of Results from Joint Ventures**

The Group recorded approximately RMB0.8 million for FY2025 (FY2024: RMB1.7 million) from its share of profits from joint ventures, which provide industrial facilities management services primarily due to lower economies of scale.

## **Income Tax Credit**

The Group recorded income tax credit of approximately RMB0.3 million for FY2025 (FY2024: RMB4.5 million). The lower tax credit in FY2025 was primarily attributable to a higher level of deferred tax assets recognised in FY2024, which mainly arose from temporary differences associated with non-cash accounting impairment losses, including inventory write-downs amounting to approximately RMB13.8 million recognised in FY2024, with no corresponding impairment recognised in FY2025.

## Net Loss

Given the above, the Group recorded a significantly lower Net Loss of approximately RMB0.1 million for FY2025 (FY2024: RMB20.7 million).

## Final Dividend

The Board does not recommend the payment of a final dividend for FY2025 (FY2024: Nil).

## LIQUIDITY AND CAPITAL RESOURCES

The following table sets out certain information regarding the Group's consolidated statement of cash flows for FY2025 and FY2024:

	FY2025		FY2024	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents at beginning of the year		<b>11,881</b>		8,038
Net cash flows from operating activities	<b>34,846</b>		26,158	
Net cash flows used in investing activities	<b>(22,503)</b>		(27,753)	
Net cash flows (used in)/from financing activities	<b>(15,001)</b>		<u>5,443</u>	
Net (decrease)/increase in cash and cash equivalents		<b>(2,658)</b>		3,848
Effect of foreign exchange rate changes, net		<u>15</u>		<u>(5)</u>
Cash and cash equivalents at end of the year		<b><u>9,238</u></b>		<b><u>11,881</u></b>

## Net Cash Flows From Operating Activities

The Group's net cash flows from operating activities were approximately RMB34.8 million for FY2025 (FY2024: RMB26.2 million) after accounting for (i) operating income before working capital changes of approximately RMB14.1 million (FY2024: RMB8.5 million); (ii) positive working capital changes of approximately RMB21.5 million (FY2024: RMB20.3 million); and (iii) income tax payment of approximately RMB0.8 million (FY2024: RMB2.7 million).

## **Net Cash Flows Used In Investing Activities**

The Group's net cash flows used in investing activities were approximately RMB22.5 million for FY2025 (FY2024: RMB27.8 million) due mainly to (i) the capital expenditures of approximately RMB16.1 million (FY2024: RMB19.0 million) for engineering and preparatory works on site for progressive upgrade and expansion of the High-Fe Mining Operations; (ii) installment payments for the resource integration process related to Maoling-Yanglongshan's mining right of RMB6.3 million (FY2024: RMB6.3 million); and (iii) capital injection in joint venture company of Nil (FY2024: RMB2.5 million).

## **Net Cash Flows (Used In)/From Financing Activities**

The Group's net cash flows used in financing activities were approximately RMB15.0 million for FY2025 (FY2024: net cash flows from financing activities of RMB5.4 million), due primarily to (i) net repayment of bank and other borrowings of approximately RMB9.4 million (FY2024: net proceeds from bank and other borrowings of RMB8.9 million); (ii) lease payments of approximately RMB3.7 million (FY2024: RMB3.2 million) related to the right-of-use assets; (iii) interest payments of approximately RMB3.0 million (FY2024: RMB3.9 million) associated with the borrowings; and (iv) increase in amount due to related parties RMB1.1 million (FY2024: RMB3.7 million).

## **FINANCIAL POSITION**

### **Intangible Assets**

The Group's intangible assets primarily comprise concession rights for the Maoling-Yanglongshan Mine and the Shigou Gypsum Mine, with carrying amounts of RMB164.1 million and RMB649.7 million, respectively, as at 31 December 2025 (FY2024: RMB165.9 million and RMB649.7 million, respectively).

### **Inventories**

The Group's inventories, comprise raw materials, finished goods and consumables in relation to the High-Fe Mining Operations, decreased to approximately RMB14.6 million as at 31 December 2025 (FY2024: RMB20.3 million), while the overall inventory turnover days were approximately 12 days (FY2024: 13 days).

### **Trade and Bills Receivables**

The Group's trade and bills receivables increased to approximately RMB161.9 million as at 31 December 2025 (FY2024: RMB75.5 million) primarily due to higher trading sales. The overall debtor turnover days were approximately 78 days (FY2024: 66 days). As at the date of this announcement, approximately 98.7% of the trade receivables have been collected subsequent to the Reporting Period, while the remaining balance, which falls within the credit period, is expected to be collected before the second quarter of 2026.

## **Prepayments, Other Receivables and Other Assets**

The Group's prepayments, other receivables and other assets decreased to approximately RMB45.2 million as at 31 December 2025 (FY2024: RMB108.6 million), on a lower volume of purchases for trading activities towards year end and lower prepayments to suppliers as part of its supply chain management.

## **Trade Payables**

The Group's trade payables were approximately RMB64.7 million as at 31 December 2025 (FY2024: RMB63.6 million), while overall creditor turnover days were approximately 43 days (FY2024: 46 days).

## **Borrowings**

Total borrowings of the Group decreased to approximately RMB82.0 million as at 31 December 2025 (FY2024: RMB91.4 million), primarily due to loan repayments. Details of the borrowings of the Group are set out in note 20 to the consolidated financial statements of this announcement.

## **Lease Liabilities**

The total lease liabilities of the Group were approximately RMB21.1 million as of 31 December 2025 (FY2024: RMB21.1 million) mainly representing payment obligations related to the right-of-use assets for (i) office premises; (ii) mine tailings facilities; (iii) storage facility for mine tailings; and (iv) engineering loaders.

## **Contingent Liabilities and Financial Guarantees**

### ***Financial guarantees for former subsidiaries prior to the 2019 Disposal***

Reference is made to the circulars of the Company dated 10 June 2019, 8 June 2022 and 9 May 2025 (the "MGA Circulars"), and the announcements of the Company dated 30 July 2019, 16 May 2022, 28 March 2024, 19 June 2024, 19 August 2024, 21 August 2024, 15 November 2024, 23 December 2024, 11 February 2025, 4 March 2025, 6 May 2025, 9 May 2025 and 10 July 2025 (the "MGA Announcements").

As disclosed in the MGA Circulars and the MGA Announcements, Huili Caitong, the Company's former wholly-owned subsidiary, and Xiushuihe Mining, another former indirect subsidiary of the Company and a subsidiary of Huili Caitong, previously secured loan facilities from the Financial Institutions, in 2010, 2013 and 2014, and on which the Company has provided the CVT Guarantees in favour to each of the Financial Institutions with a maximum guaranteed amounts of RMB730.0 million. The details of the CVT Guarantees had previously been disclosed in the MGA Circulars and the Company's annual reports; and are consistent with the terms and conditions for the completion of the 2019 Disposal.

Following the 2019 Disposal, the Company and Chengyu Vanadium entered into the 2019 Counter Indemnity for the provision of counter-indemnity by Chengyu Vanadium in favour of the Company in respect of the Company's contingent liabilities and potential claims under the CVT Guarantees. The 2019 Counter Indemnity remains effective until the date of actual release of the CVT Guarantees.

Given that the CVT Guarantees are continuing in nature and will only be released upon full and final settlement, and official discharge by the respective Financial Institutions, the Company has:

- (a) on 16 May 2022, extended the CVT Guarantees by entering into the 2022 Master Guarantee Agreement and the 2022 Counter Indemnity with Chengyu Vanadium, Huili Caitong and Xiushuihe Mining for a term of three years that ended on 31 December 2024; and
- (b) on 11 February 2025, further extended the arrangements in (a) by entering into the 2025 Master Guarantee Agreement and the 2025 Counter Indemnity for a term of three years ending on 31 December 2027.

The following key terms and conditions of the financial guarantee were approved by the Independent Shareholders at the EGM held on 26 May 2025, among other things:

- **2025 Master Guarantee Agreement:** the Company shall continue to provide the CVT Guarantees in favour of the Financial Institutions for a term commencing from 1 January 2025 to 31 December 2027, subject to a maximum aggregate guaranteed amount of RMB930.0 million. The CVT Guarantees shall cover the indebtedness owed by Huili Caitong and Xiushuihe Mining to the Financial Institutions under the CVT Guarantees and any related rolled-over loans approved by the Financial Institutions;
- **2025 Counter Indemnity:** Chengyu Vanadium Titano shall provide counter-indemnity in favour of the Company under the 2025 Counter Indemnity by (i) pledging inventories (mainly comprising industrial materials) and any other assets (mainly comprising machinery and equipment) as approved by the Company, the market value of which shall not be less than 1.25 times of the maximum guaranteed amounts estimated under the Hypothetical Scenario for the respective year within the period from 2025 to 2027; (ii) providing a joint liability guarantee which allows the Company to claim against Chengyu Vanadium Titano directly for any payments, losses and expenses incurred as a result of the CVT Guarantees; and (iii) continue to fulfil its obligations under the 2025 Master Guarantee Agreement and the 2025 Counter Indemnity until the Company's obligations under the CVT Guarantees are fully released and officially discharged by the respective Financial Institutions, or until Huili Caitong, Xiushuihe Mining and/or the Company, as applicable, reach a new replacement agreement in writing; and
- **Annual guarantee fees:** Huili Caitong and Xiushuihe Mining shall pay an annual guarantee fee to the Company, which is calculated at 1.25% of the maximum guaranteed amounts estimated under the Hypothetical Scenario, in accordance with the terms of the 2025 Master Guarantee Agreement.

Further to the above, the Company disclosed in the MGA Announcements that, (i) CCB and ICBC had each taken legal actions against Huili Caitong and Xiushuihe Mining, respectively, in relation to the CCB-Caitong Indebtedness Amount, the ICBC-Caitong Indebtedness Amount, and the ICBC-Xiushuihe Indebtedness Amount; and (ii) Cinda had issued a legal demand letter to Huili Caitong in relation to the Cinda-Caitong Indebtedness Amount. Under the CVT Guarantees, the Company shall fulfil its corporate guarantee obligations in relation to the Total Indebtedness Amounts.

A summary of the status of each the Indebtedness Claims as at the date of this announcement is as follows:

No.	Borrowers	Financial Institutions	Year of inception of the loan	Principal amount involved in the Indebtedness Claims (RMB'000)	Status Updates
1	Huili Caitong	Cinda <sup>(1)</sup>	2014	140,975	Huili Caitong had received a legal demand letter from Cinda and has since initiated discussions with Cinda to explore potential settlement options and/or debt restructuring arrangements, as previously announced on 15 November 2024.
2	Huili Caitong	ICBC	2013	69,715	Separate litigations have commenced against Huili Caitong and Xiushuihe Mining, and the Huili Caitong Parties are in discussions with ICBC to explore potential options for settlement and/or debt restructuring, as previously announced on 19 August 2024 and 21 August 2024.
3	Xiushuihe Mining	ICBC	2013	19,000	
4	Huili Caitong	CCB	2010	276,929	Huili Caitong has informed the Group that (a) it has since disposed its assets to a third party (the “Huili Caitong Assets Disposal”) and that the proceeds of which have been escrowed for settlement of the CCB-Caitong Indebtedness Amount; and (b) following the Huili Caitong Assets Disposal, both Huili Caitong and CCB are in the process of completing the procedural requirements and requisite formalities in order to confirm the final settlement amounts of the CCB-Caitong Indebtedness Amount. As at the date of this announcement, management has further assessed that the available escrowed proceeds from the Huili Caitong Assets Disposal is expected to account for approximately 95% of the principal amount involved in the CCB-Caitong Indebtedness Amount. Consequently, the CCB-Caitong Indebtedness Amount is expected to fall substantially, and the Company will update Shareholders further in a separate announcement once final confirmation on the above matters has been obtained.

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506,619

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*Note:*

- (1) As disclosed in the Company's circular dated 8 June 2022, the Company was informed of the assignment by CMB of all its rights in the credit agreement and the guarantee in favour of Cinda.

Save as disclosed above, as at the date of this announcement, the Huili Caitong Parties are still in discussions with all the Financial Institutions, exploring potential options for settlement and debt restructuring, as applicable. The Company continues to monitor developments closely and maintains full contractual recourse under the 2025 Counter Indemnity.

The maximum amount guaranteed under the CVT Guarantees as at 31 December 2025 was RMB690.0 million (FY2024: RMB690.0 million), while the principal amount involved in the total Indebtedness Claims, net of the available escrowed proceeds from the Huili Caitong Assets Disposal, is approximately RMB244.0 million as at 31 December 2025 (FY2024: RMB506.6 million).

Having considered:

- (i) the total assets of both Huili Caitong and Xiushuihe Mining as at 31 December 2025;
- (ii) the total escrowed proceeds from the Huili Caitong Assets Disposal;
- (iii) the adequacy of the transaction contemplated under the 2025 Master Guarantee Agreement and the 2025 Counter Indemnity, including the indicative value of assets pledged in favour of the Company, which remained 1.25 times higher than the maximum guaranteed amount under the CVT Guarantees as at 31 December 2025 as assessed in accordance with the terms as contemplated under the 2025 Master Guarantee Agreement and the 2025 Counter Indemnity;
- (iv) the opinion of the PRC legal counsel that the underlying risks arising from the CCB-Caitong Indebtedness Amount have been substantially mitigated in view of the available escrowed proceeds from the Huili Caitong Assets Disposal, pending completion of the procedural requirements and requisite formalities in confirming the final settlement amounts of the CCB-Caitong Indebtedness Amount;
- (v) that, as a consequence thereof, the corresponding financial exposure in relation to the CCB-Caitong Indebtedness Amount has been adequately covered and contained in material respects; and
- (vi) other currently available information to the Group,

the Group does not expect that the above matters to have material impact on its business operations and financial position as at the date of this announcement save for the additional administrative expenses (including legal and other professional fees) as may be incurred by the Company.

The 2025 Master Guarantee Agreement and the transactions contemplated thereunder were approved by the Independent Shareholders at the extraordinary general meeting held on 26 May 2025.

### ***Financial guarantees for a joint venture company***

As at 31 December 2025, Sichuan Shengjiawei has a working capital loan of RMB4.4 million bears an interest rate of 7.5% per annum from a financial institution in the PRC (the “JV Loan”). Sichuan Lingwei and its joint venture partner, Neijiang Shengchuan, have in accordance with their respective shareholding in Sichuan Shengjiawei, effectively guaranteed the full repayment of the JV Loan (including interest and related charges) when it falls due. The JV Loan is further supported and secured by a guarantee from a state-backed financing guarantee company.

The principal amount of the JV Loan, as effectively guaranteed by Sichuan Lingwei based on its shareholding in Sichuan Shengjiawei, represents approximately 0.24% of the Group’s net assets as at 31 December 2025.

Having considered the financial and operating status of Sichuan Shengjiawei as at 31 December 2025, the Group did not record any contingent liabilities and financial guarantees as at 31 December 2025 in relation to the above mentioned guarantee provided by Sichuan Lingwei.

Save for the above, as at 31 December 2025, the Group did not have any other material contingent liabilities and financial guarantees.

### **Pledge of Assets**

The Group’s pledge of assets as at 31 December 2025 was related mainly to a bank loan of RMB68.1 million granted to Aba Mining, which was secured by (i) the mining right of the Maoling-Yanglongshan Mine; and (ii) 100% equity interest of Aba Mining held by Sichuan Lingyu.

### **Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plan for Material Investments of Capital Assets**

Except as disclosed in this announcement, there were no other significant investments held and/or committed by the Company, nor were there any other material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2025.

Except as disclosed in this announcement, there were no other material investments or additions of capital assets that were not related to normal operation authorised by the Board as at the date of this announcement.

## **Foreign Currency Risk**

The Group's foreign currency exposures arose primarily from the exchange rate movement of foreign currencies, namely, HKD, USD and SGD, against the functional currencies of respective entities within the Group.

The RMB is not freely convertible. There is a risk that the Chinese government may take actions affecting exchange rates which may have a material adverse effect on the Group's net assets, earnings and any dividends it declares if such dividend is to be exchanged or converted into foreign currencies.

The Group has not entered into any hedging transactions to manage the potential fluctuation in foreign currencies. The management monitors the Group's foreign currency exposure and will consider hedging significant foreign currency exposure when the needs arise.

## **Interest Rate Risk**

The Group's exposure to interest rate risk relates primarily to bank deposits, interest-bearing bank and other borrowings (which are subject to fair value interest rate risk).

The Group manages its interest rate exposure arising from all its interest-bearing loans through the use of fixed rates. In addition, the Group has not used any interest rate swaps to hedge against interest rate risk. The Group will constantly monitor the economic situation and its interest rate risk profile, and will consider appropriate hedging measures when the needs arise.

Please refer to note 20 to the consolidated financial statements of this announcement for more details of the interest rates and terms of repayment of interest-bearing bank and other borrowings.

## **Capital Expenditures**

The Group's total capital expenditures increased by approximately RMB10.7 million to approximately RMB26.9 million for FY2025 (FY2024: RMB16.2 million) mainly due to the Group's recognition of costs associated with the resource integration process of the Maoling-Yanglongshan Mine, including costs incurred for the engineering works of the Mining Site Upgrade and Capacity Expansion.

## **Gearing Ratio**

Gearing ratio is a measure of financial leverage, which is calculated by "net debt" divided by "total equity plus net debt". Net debt is defined as interest-bearing bank and other loans and lease liabilities, net of cash and cash equivalents and it excludes liabilities incurred for working capital purpose. Equity includes equity attributable to owners of the Company and non-controlling interests. As of 31 December 2025, the gearing ratio decreased to approximately 9.2% (FY2024: 9.9%) mainly due to partial repayment as part of the refinancing arrangement during the year.

## **EMPLOYEES AND EMOLUMENT POLICIES**

As at 31 December 2025, the Group had a total of 316 dedicated full time employees (FY2024: 356 employees), including 5 management staff members, 22 technical staff members, 36 administrative and sales & marketing staff members, and 253 operational staff members. For FY2025, the employee benefit expenses (including Directors' remuneration in the form of fees, salaries and other allowances) was approximately RMB34.7 million (FY2024: RMB32.3 million).

The emolument policies of the Group are based on performance, experience, competence and market comparable. Remuneration packages generally comprise salary, housing allowance, contribution to pension schemes and discretionary bonuses relating to the performance of the Group. The Group has also adopted a share option scheme for its employees, providing incentives and rewards to eligible participants with reference to their contributions. Proper training programmes were implemented in order to promote employees' career development and progression within the Group.

## **OTHER SIGNIFICANT EVENTS**

### **2026 FM Framework Agreement**

Sichuan Lingwei entered into (i) the 2026 Huili FM Agreement with Huili Caitong and Xiushuihe Mining; and (ii) the 2026 Yanyuan FM Agreement with Yanyuan Xigang on 7 November 2025, as a continuity of the 2023 FM Framework Agreements. Pursuant to the 2026 FM Framework Agreements, Sichuan Lingwei has agreed to provide a wide range of facility management services covering industrial, logistics, and commercial properties and related facilities, including operational site routine services, mining engineering support and consultancy services (the "FM Services"), to Huili Caitong, Xiushuihe Mining and Yanyuan Xigang. The term of the 2026 Huili FM Agreement and the 2026 Yanyuan FM Agreement is from 1 January 2026 until 31 December 2028. The proposed annual caps for the transactions contemplated under the 2026 Huili FM Agreement and the 2026 Yanyuan FM Agreement are no more than RMB34.0 million and RMB4.0 million, respectively, for each of the three years ending 31 December 2028.

The Company has on 30 December 2025 obtained the Independent Shareholders' approval for the Company to continue the provision of FM Services under the 2026 FM Framework Agreements commencing from 1 January 2026 to 31 December 2028.

Please refer to the Company's announcements dated 7 November 2025 and the Company's circular dated 15 December 2025 for further details.

## **Upgrade and expansion of capacity for the Maoling-Yanglongshan Mine**

Aba Mining entered into a construction contract with a contractor, named Zhejiang Zhongxiang Construction Group Co., Ltd.\*, to which the contractor provided services in relation to construction and engineering works for the Mining Site Upgrade and Capacity Expansion for a contract sum of RMB34.0 million, on 30 September 2025. This upgrade project of the Maoling Yanglongshan Mine is expected to progressively increase the annual production capacity of iron concentrates by approximately 30% to 40% upon optimisation of the upgraded production capacity in full commercial scale, which would in turn improve economies of scale and lower production unit cost, barring unforeseen circumstances.

In accordance with the construction contract, the contractor shall take not more than 15 months to complete the construction and engineering works. At the same time, construction of ancillary safety facilities must also be carried out based on applicable national standards, during which on-site production at the Maoling-Yanglongshan Mine will need to be temporarily suspended in compliance with the PRC regulatory requirements.

Please refer to the Company's announcements dated 30 September 2025 and 6 October 2025 for further details.

## **2025 Master Guarantee Agreement**

The Company has on 26 May 2025 obtained the Independent Shareholders' approval for the Company to continue the provision of the CVT Guarantees under the 2025 Master Guarantee Agreement commencing from 1 January 2025 to 31 December 2027 subject to maximum guaranteed amounts of not more than RMB930.0 million. The CVT Guarantees under the 2025 Master Agreement covered the indebtedness owed by Huili Caitong and Xiushuihe Mining to the Financial Institutions and any related rolled-over loans approved by the Financial Institutions.

Please refer to the Company's announcement dated 9 May 2025, the Company's circular dated 9 May 2025, and the section headed "Contingent Liabilities and Financial Guarantees" in this announcement for further details.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026 (both days inclusive) during which no transfer of Shares will be effected. In order to determine the entitlement to attend and vote at the 2026 AGM, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 20 May 2026.

## EXTRACT OF CHAIRMAN’S STATEMENT

The following “Outlook and Strategies” is extracted from the chairman’s statement as written by the chairman of the Board:

### *“Outlook and Strategies*

*As China enters its next Five-Year Plan period, the steel industry faces ongoing structural changes, and we would have to adapt accordingly – moving from scale-based to value-driven operating models and this was very much expected. Industry players are thus required to further prioritise their investments in higher-quality production and structural optimisation to avoid supply glut, step up green decarbonisation and process digitalisation to better align with sustainability goals.*

*This transition in the steel industry means continued adjustments across our supply chains, capital expenditure budgets, operating cost structures and competitive positioning, which we will have to adapt proactively and invest in accordingly, amidst a complex operating environment and evolving requirements.*

*The persistent slowdown in the real estate sector in China remains the largest drag on overall steel demand and continues to hold back any possible expansion in such capacity. While we note that certain new measures have recently been put in place to stabilise the housing market, these initiatives may help to optimise existing inventories but are unlikely to push steel demand to previous highs. In this case, we will continue to see uneven demand recovery and price fluctuations.*

*We sustained our revenues from the facilities management segment in FY2025 and, at the same time, we will continue to improve our technical capabilities and expand our service scope. We are also exploring opportunities to potentially extend this business segment in a more integrated manner, which may span beyond traditional maintenance services, including the evaluation of strategic joint ventures and accretive acquisition plans.*

*Against this backdrop, while we are managing the progress of our long-term capacity upgrade plans for the High-Fe mine and evaluating several other business plans, we need to maintain our cost competitiveness, improve our operational efficiency, optimise our processes and ensure liquidity resilience. These remain our primary focus and shall prevail over the pursuit of aggressive scale expansion amidst the structural and cyclical changes in the industry.”*

## CORPORATE GOVERNANCE

The Company has adopted the CG Code as its own code of corporate governance. The Directors consider that during FY2025, the Company has complied with the applicable code provisions under the CG Code in all material aspects.

The Directors are not aware of any other information that reasonably reveals that there is any non-compliance with or deviation from applicable code provisions on corporate governance practices set out in Appendix 14 to the Listing Rules by the Company anytime during the Reporting Period.

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

During FY2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **SCOPE OF WORK OF THE COMPANY’S AUDITOR ON THE RESULTS ANNOUNCEMENT**

The figures in respect of the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position of the Group and the related notes thereto for FY2025 as set out in this announcement have been agreed by the Company’s auditor, Forvis Mazars CPA Limited (“Forvis Mazars”), Certified Public Accountants, to the amounts set out in the audited consolidated financial statements of the Group for FY2025. The work performed by Forvis Mazars in this respect did not constitute an audit, review or other 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 the Company’s auditor on this announcement.

## **EVENTS AFTER THE END OF REPORTING PERIOD**

Save as disclosed elsewhere in this announcement, since 31 December 2025 and up to the date of this announcement, no significant events affecting the Group have taken place.

Please refer to the section headed “Management Discussion and Analysis – Other Significant Events” for further details.

## **PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE**

This announcement is published on the websites of the Company ([www.chinavtmmining.com](http://www.chinavtmmining.com)) and the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for the year ended 31 December 2025 will be made available to the Shareholders for review on the same websites in due course.

## **REVIEW OF ANNUAL RESULTS**

The audit committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## GLOSSARY

“2019 Counter Indemnity”	a moveable asset pledge contract entered into between Chengyu Vanadium Titano and the Company on 30 July 2019 for the provision of counter-indemnity by Chengyu Vanadium Titano in favour of the Company in respect of the Company’s liabilities and claims under the CVT Guarantees (if any), and the pledge of the Chengyu Vanadium Titano's inventories (including but not limited to structural steels, coals etc) as security for such counter indemnity
“2019 Disposal”	The sale transaction of the Caitong Group from Sichuan Lingyu to Chengyu Vanadium Titano which was entered into on 29 January 2019 and completed on 30 July 2019
“2022 Counter Indemnity”	the counter indemnity agreement entered into between Chengyu Vanadium Titano and the Company on 16 May 2022 for the provision of counter-indemnity by Chengyu Vanadium Titano in favour of the Company in respect of the Company’s contingent liabilities and potential claims covered under the 2022 Master Guarantee Agreement (if any), and the pledge of Chengyu Vanadium Titano’s inventories (comprising structural steels and iron ores, or any other assets approved by the Company) as security for such counter-indemnity
“2022 Master Guarantee Agreement”	the master guarantee agreement entered into between the Company, Huili Caitong, Xiushuihe Mining and Chengyu Vanadium Titano on 16 May 2022 under which the Company agreed to continue to provide the CVT Guarantees on the terms set out therein
“2023 FM Framework Agreements”	the 2023 Huili FM Agreement and the 2023 Yanyuan FM Agreement
“2023 Huili FM Agreement”	the facility management services framework agreement entered into between Huili Caitong and Xiushuihe Mining and Sichuan Lingwei on 13 December 2022 in relation to the provision of FM Services by Sichuan Lingwei to Huili Caitong and Xiushuihe Mining
“2023 Yanyuan FM Agreement”	the facility management services framework agreement entered into between Yanyuan Xigang and Sichuan Lingwei on 13 December 2022 in relation to the provision of FM Services by Sichuan Lingwei to Yanyuan Xigang
“2026 AGM”	the Shareholders’ annual general meeting to be held on 22 May 2026

“2025 Counter Indemnity”	the counter-indemnity agreement entered into between Chengyu Vanadium and the Company on 11 February 2025 for the provision of counter-indemnity by Chengyu Vanadium in favour of the Company in respect of the Company’s contingent liabilities and potential claims covered under the 2025 Master Guarantee Agreement (if any), and the pledge of inventories (mainly comprising industrial materials) and any other assets (mainly comprising machinery and equipment) as approved by the Company as security for such counter-indemnity
“2025 Master Guarantee Agreement”	the master guarantee agreement entered into between the Company, the Borrowers and Chengyu Vanadium on 11 February 2025 (after trading hours), pursuant to which the Company agreed to continue to provide the CVT Guarantees on the terms set out therein
“2026 FM Framework Agreement”	the 2026 Huili FM Agreement and the 2026 Yanyuan FM Agreement
“2026 Huili FM Agreement”	the facility management services framework agreement entered into between Huili Caitong, Xiushuihe Mining and Sichuan Lingwei on 7 November 2025 in relation to the provision of FM Services by Sichuan Lingwei to Huili Caitong and Xiushuihe Mining
“2026 Yanyuan FM Agreement”	the facility management services framework agreement entered into between Yanyuan Xigang and Sichuan Lingwei on 7 November 2025 in relation to the provision of FM Services by Sichuan Lingwei to Yanyuan Xigang
“Aba Mining”	Aba Mining Co., Ltd.*, a limited liability company established in the PRC on 27 February 2004 and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors of the Company
“Borrowers”	Huili Caitong and Xiushuihe Mining
“Caitong Group”	refers to Huili Caitong and its subsidiaries, namely Xiushuihe Mining and Panzhihua Yixingda Industrial Trading Co., Ltd.*, which engage in sale of self-produced low-grade iron concentrates within the range of 53% TFe to 55% TFe and have been disposed of by the Group on 30 July 2019
“CCB”	China Construction Bank Corporation, Liangshan Branch*

“CCB-Caitong Indebtedness Amount”	among others, principal indebtedness of RMB276.9 million, accumulated interest thereof and other applicable charges and costs involved up to the actual date of settlement as may be adjudicated by the court(s), owing by a former subsidiary
“CG Code”	refers to the Corporate Governance Code set out in Appendix C1 to the Listing Rules that is applicable to the Corporate Governance Report for the Reporting Period, unless otherwise specified
“Chengyu Vanadium Titano”	Chengyu Vanadium Titano Technology Ltd.*, formerly known as Weiyuan Steel Co., Ltd.*, a sino-foreign equity joint venture established in the PRC on 3 April 2001 and a connected person of the Company
“Cinda”	China Cinda Asset Management Co., Ltd, Sichuan Branch*
“Cinda-Caitong Indebtedness Amount”	among others, the principal indebtedness of RMB141.0 million and accumulated interest thereof owing by Huili Caitong under loan facilities originally extended by the CMB on which the Company had previously provided a corporate guarantee in September 2014, prior to the assignment of such indebtedness by the CMB to the Cinda in 2017 and prior to the 2019 Disposal
“close associates”	has the meaning ascribed thereto in the Listing Rules
“CMB”	China Merchant Bank Co., Ltd, Chengdu Branch*
“Company”, “our”, or “we”	China Vanadium Titano-Magnetite Mining Company Limited, a limited liability company incorporated in the Cayman Islands on 28 April 2008
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules and refers to Trisonic International, Kingston Grand, Messrs. Wang Jin, Shi Yinjun, Yang Xianlu, Wu Wendong, Zhang Yuangui and Li Hesheng

“CVT Guarantees”	guarantees given by the Company in favour of the Caitong Group guaranteeing, inter alia, the indebtedness owing by any company(ies) in the Caitong Group to the Financial Institutions with an original maximum guaranteed amount of RMB730.0 million, and as at 31 December 2025, RMB690.0 million
“Director(s)”	director(s) of the Company or any one of them
“DNRSP”	Department of Natural Resources of Sichuan Province*
“EGM”	extraordinary general meeting
“Financial Institutions”	certain banks and an asset management and financial services institution in the PRC in favour of which the Company entered into the CVT Guarantees with an original maximum guaranteed amount of RMB730.0 million (the maximum amount guaranteed under the CVT Guarantees as at 31 December 2025 was RMB690.0 million) as security in relation to credit facilities granted to Huili Caitong and Xiushuihe Mining, respectively
“FY2024”	financial year ended and/or as at 31 December 2024, as applicable
“FY2025”	financial year ended and/or as at 31 December 2025, as applicable
“Group”	the Company and its subsidiaries
“High-Fe Mining Operations”	operations of the sale of self-produced high-grade iron concentrates within the range of 65% TFe to 72% TFe
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huili Caitong”	Huili Caitong Iron and Titanium Co., Ltd.*, established in the PRC on 7 July 1998 and has been a foreign equity joint venture in the PRC since 29 December 2010, an indirect wholly-owned subsidiary of the Company till 30 July 2019
“Huili Caitong Parties”	Huili Caitong, Xiushuihe Mining and/or Chengyu Vanadium Titano, as applicable

“Hypothetical Scenario”	refer to the scenario based on hypothetical assumptions which may or may not materialise, including that there will be no settlement, repayment and/or reduction in the principal amount of the Total Indebtedness Amounts for the three financial years ending 31 December 2027. Under such circumstances, the total maximum guaranteed amounts comprising (i) the principal amount of the Total Indebtedness Amounts; and (ii) the accumulated interests, penalties and other incidental expenses
“ICBC”	Industrial and Commercial Bank of China Limited, Liangshan Branch*
“ICBC-Caitong Indebtedness Amount”	among others, principal indebtedness of RMB69.7 million, accumulated interest thereof and other applicable charges and costs involved up to the actual date of settlement as may be adjudicated by the court(s), owing by a former subsidiary
“ICBC-Xiushuihe Indebtedness Amount”	among others, principal indebtedness of RMB19.0 million, accumulated interest thereof and other applicable charges and costs involved up to the actual date of settlement as may be adjudicated by the court(s), owing by a former subsidiary
“IFRS”	International Financial Reporting Standards, which comprise standards and interpretations approved by the International Accounting Standards Board and the International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect
“Indebtedness Claims” or “Total Indebtedness Amounts”	collectively the CCB-Caitong Indebtedness Amount, the ICBC-Caitong Indebtedness Amount, the ICBC-Xiushuihe Indebtedness Amount and the Cinda-Caitong Indebtedness Amount
“Independent Shareholders”	Shareholders, other than the Relevant CVT Substantial Shareholders and their respective close associates which are required to abstain from voting at the EGM pursuant to the Listing Rules
“Kingston Grand”	Kingston Grand Limited, a company incorporated in the British Virgin Islands on 20 February 2007, holder of 40% of the issued share capital of Trisonic International
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

“Maoling Processing Plant”	the ore processing plant located near the Maoling-Yanglongshan Mine and operated by the Aba Mining
“Maoling-Yanglongshan Mine”	an ordinary magnetite mine located in Wenchuan County, Sichuan, with a mining area of 2.7366 sq.km as operated by the Aba Mining and integrated under the mining licence issued by the DNRSP on 6 May 2023
“Neijiang Shengchuan”	Neijiang Shengchuan Property Management Co., Ltd.*, a limited liability company established in the PRC on 22 June 2021, an independent third party
“Net Loss”	total comprehensive loss attributable to owners of the Company
“Relevant CVT Substantial Shareholders”	Mr. Wang Jin, Mr. Shi Yinjun, Mr. Zhang Yuangui, Mr. Li Hesheng, and Mr. Wu Wendong, are parties acting in concert and some of the substantial Shareholders through their ownership in Trisonic International
“Reporting Period”	the year ended 31 December 2025
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of HKD0.1 each
“Shareholder(s)”	holder(s) of the Share(s)
“Shigou Gypsum Mine”	Shigou gypsum mine located at Hanyuan County, Ya’an City, Sichuan Province, with a mining area of 0.1228 sq.km.
“Sichuan Lingwei”	Sichuan Lingwei Property Service Co., Ltd.*, a limited liability company established in the PRC on 7 July 2021 and an indirect wholly-owned subsidiary of the Company
“Sichuan Shengjiawei”	Sichuan Shengjiawei Property Service Co., Ltd.*, a joint venture established in the PRC on 15 December 2023, in which the Company indirectly owns 50% equity interest
“Sichuan Yufengwei”	Sichuan Yufengwei Property Service Co., Ltd.*, a joint venture established in the PRC on 19 December 2023, in which the Company indirectly owns 50% equity interest
“Status Updates”	the update on the status of each Indebtedness Claims as at the date of this announcement
“Trisonic International”	Trisonic International Limited, a company incorporated in Hong Kong on 19 July 2006 and a Controlling Shareholder

“Xiushuihe Mining” Huili Xiushuihe Mining Co., Ltd.\*, a limited liability company established in the PRC on 26 June 2007, an indirect subsidiary of the Company which owned 95.0% equity interest through Huili Caitong till 30 July 2019

“Yanyuan Xigang” Yanyuan Xigang Clean Coal Co., Ltd.\*, a limited liability company established in the PRC

## **ABBREVIATIONS, PLACES, CURRENCIES, UNITS AND OTHERS**

“BVI” the British Virgin Islands

“China”, “Chinese Mainland” or “PRC” the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Fe” chemical symbol of iron element

“gypsum” a soft hydrous sulfate mineral with the chemical formula  $\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$

“HKD” the lawful currency of Hong Kong

“Hong Kong” the Hong Kong Special Administrative Region of the PRC

“km.” kilometre(s), a metric unit measure of distance

“Kt” thousand tonnes

“N/A” not applicable

“RMB” the lawful currency of the PRC

“SGD” the lawful currency of the Republic of Singapore

“sq.km.” square kilometres  
“TFe” the symbol for denoting total iron  
“USD” the lawful currency of the United States of America

\* *The English translation of the Chinese name is for information only, and should not be regarded as the official English translation of such name.*

Yours faithfully,  
For and on behalf of the Board  
**China Vanadium Titano-Magnetite Mining Company Limited**  
**Teh Wing Kwan**  
*Chairman*

Hong Kong, 27 March 2026

*As at the date of this announcement, the Board comprises Mr. Teh Wing Kwan (Chairman) as non-executive Director; Mr. Hao Xiemin as Chief Executive Officer, and Mr. Wang Hu as executive Directors; Mr. Yu Haizong, Mr. Wu Wen, Mr. Liu Yi and Mdm. Tang Guoqiong as independent non-executive Directors.*

*The English and Chinese versions of this results announcement are available on the website of the Company ([www.chinavtmmining.com](http://www.chinavtmmining.com)) and on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). In the event of any discrepancies between the English and Chinese versions, the English version shall prevail*