梦金园
MOKINGRAN

夢金園黃金珠寶集團股份有限公司
MOKINGRAN JEWELLERY GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 2585

ANNUAL REPORT 2025

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. WANG Zhongshan *(Chairman)*
Ms. ZHANG Xiuqin
Mr. WANG Zegang *(Employee representative Director)*
Mr. WANG Guoxin *(Appointed with effect from May 16, 2025)*
Ms. JIANG Liying *(Retired with effect from May 16, 2025)*

Independent Non-executive Directors

Mr. BAI Xianyue
Mr. WENG Xin *(Appointed with effect from May 16, 2025)*
Mr. DING Xiaodong *(Appointed with effect from May 16, 2025)*
Mr. WANG Gongyong *(Retired with effect from May 16, 2025)*
Mr. HUANG Fangliang *(Retired with effect from May 16, 2025)*

STRATEGY AND SUSTAINABILITY COMMITTEE

Mr. WANG Zhongshan *(Chairman)*
Ms. ZHANG Xiuqin
Mr. WANG Guoxin *(Appointed with effect from May 16, 2025)*
Mr. WANG Zegang
Mr. BAI Xianyue *(Appointed with effect from May 16, 2025)*
Ms. JIANG Liying *(Retired with effect from May 16, 2025)*

AUDIT COMMITTEE

Mr. DING Xiaodong *(Chairman) (Appointed with effect from May 16, 2025)*
Mr. WENG Xin *(Appointed with effect from May 16, 2025)*
Mr. BAI Xianyue
Mr. WANG Gongyong *(Chairman) (Retired with effect from May 16, 2025)*
Mr. HUANG Fangliang *(Retired with effect from May 16, 2025)*

REMUNERATION AND APPRAISAL COMMITTEE

Mr. WENG Xin *(Chairman) (Appointed with effect from May 16, 2025)*
Mr. WANG Guoxin *(Appointed with effect from May 16, 2025)*
Mr. DING Xiaodong *(Appointed with effect from May 16, 2025)*
Mr. HUANG Fangliang *(Chairman) (Retired with effect from May 16, 2025)*
Ms. JIANG Liying *(Retired with effect from May 16, 2025)*
Mr. WANG Gongyong *(Retired with effect from May 16, 2025)*

NOMINATION COMMITTEE

Mr. BAI Xianyue *(Chairman) (Appointed as member of Nomination Committee with effect from January 14, 2025)*
Ms. ZHANG Xiuqin *(Appointed as member of Nomination Committee with effect from May 16, 2025)*
Mr. WENG Xin *(Appointed with effect from May 16, 2025)*
Mr. WANG Zegang *(Ceased to be a member of Nomination Committee with effect from May 16, 2025)*
Mr. HUANG Fangliang *(Retired with effect from May 16, 2025)*

JOINT COMPANY SECRETARIES

Mr. WANG Zegang
Ms. YU Wing Sze

AUTHORIZED REPRESENTATIVES

Mr. WANG Zegang
Ms. YU Wing Sze

COMPANY'S WEBSITE

http://www.mokingran.com

REGISTERED OFFICE

No. 15 Ziyuan Road
Huayuan Industrial Zone
Binhai Hi-Tech District
Tianjin
The People's Republic of China

PRINCIPAL PLACES OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

No. 15 Ziyuan Road
Huayuan Industrial Zone
Binhai Hi-Tech District
Tianjin
The People's Republic of China

Mokingran Town
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Shandong Province
The People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Shops 1712–1716, 17th Floor
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183 Queen's Road East
Wanchai
Hong Kong

COMPLIANCE ADVISER

Rainbow Capital (HK) Limited

PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited, Changle Branch
No. 376 Limin Street
Changle County
Weifang City
Shandong Province
The People's Republic of China

Agricultural Bank of China Limited, Changle Branch
No.1777 Hongyang Street
Changle County
Weifang City
Shandong Province
The People's Republic of China

LEGAL ADVISERS TO THE COMPANY

Jia Yuan Law Offices *(as to PRC law)*
Jia Yuan Law Office *(as to Hong Kong law)*

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

INVESTOR RELATIONS CONTACT

mjy9999@mokingran.com

STOCK CODE

2585

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of MOKINGRAN JEWELLERY CO., LTD. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**" or "**we**"), I hereby present the Group's annual report for the year ended December 31, 2025.

In 2025, the Company remained steadfast in its commitment to deepening its core business and focusing on long-term value creation. By channeling resources into product innovation and technological research and development, we steadily expanded our presence in both domestic and international markets. We made comprehensive strides in digital and intelligent transformation, empowering the preservation of intangible cultural heritage through smart manufacturing while redefining craftsmanship excellence and continuously improving quality and efficiency. Simultaneously, we accelerated the fashion-forward and international evolution of our brand, striving to become a benchmark for long-term value in the industry.

The Group's total revenue for the Reporting Period increased by 5.1% year-on-year to RMB20,709.6 million (2024: RMB19,712.9 million). The Group's total comprehensive income for the year was RMB110.1 million (2024: RMB200.7 million), and basic earnings per share were RMB0.36 (2024: RMB0.81). The Board recommended a final dividend of RMB0.3 per Share (before tax).

2025 REVIEW

The Group is a gold jewellery original brand manufacturer in China's gold jewellery industry, with an operation that encompasses key stages of the gold jewellery industry, from raw material sourcing and purification, research and development, product design, manufacturing to retailing through our diversified sales network. The Group is primarily engaged in (i) the production and sales of gold jewellery and other gold products; (ii) the production and sales of K-gold jewellery, diamond inlaying jewellery and other products; and (iii) the provision of services.

We primarily sell our products to consumers through an offline network consisting of franchise stores and self-operated stores. Additionally, we also offer products to consumers through online sales on e-commerce platforms. As of December 31, 2025, we have established an offline sales network of 2,521 stores, comprising 2,493 (2024: 2,758) franchise stores and 28 (2024: 33) self-operated stores. Meanwhile, we continue to expand our online platform sales to broaden our consumer reach and establish long-term connections between the brand and consumers.

Enhancement achieved both in brand upgrading and cultural empowerment. The Group has continuously optimized its brand positioning, brand core, core target consumers and product strategy, and fully initiated the renewal and upgrade of the VIS system. Relying on the consumer behavior calendar, the Group has carried out omnichannel integrated marketing, seized key marketing nodes, and achieved the integration of brand promotion and effectiveness through diverse measures such as star event promotion, omnichannel content recommendation, star live-streaming room collaboration, and online and offline terminal coordination. The Group has also deepened its membership system and private domain operations, precisely empowered terminal retail, improved the public opinion risk control mechanism, and continuously optimized users' brand perception. In September, the "Highlight Moment" (高光時刻) series was officially launched and successfully showcased at Paris Fashion Week, demonstrating the cultural confidence of the national brand. In October, the intangible cultural heritage handicrafts of Master Craftsmen of MoKingRan made their debut at the 10th China International Copyright Expo, showcasing the Company's achievements in intellectual property protection.

The results of the Group's overseas planning are becoming increasingly evident. In 2025, the Group's overseas revenue reached RMB340.3 million (2024: RMB140.3 million), representing a year-on-year growth rate of 142.6%. The exported products include gold jewellery, K-gold jewellery, diamond inlaying jewellery, and multi-material jewellery accessories. The products are sold to various countries and regions in North America, Europe, the Middle East, Southeast Asia, etc.

Advancing digital and intelligent upgrades to empower our points of sale with digital technologies, we have built a corporate big data platform and an online membership system in parallel to drive production-sales coordination and efficient collaboration. We have also continued to implement the "Store Refresh Programme" and have completed smart retail system upgrades in over 1,000 stores. Furthermore, we have established a data-driven operational support system to provide accurate and timely data support for business optimisation and management decision-making. In addition, development of the "Operations E-Academy" digital empowerment platform has been initiated, with a view to building a self-developed and controllable learning and enablement tool and promoting the standardisation and systematisation of frontline talent development.

Remaining committed to a people-oriented approach, we have strengthened the development of a robust talent pipeline. A systematic training system has been established across all levels and multiple disciplines, including skills development, management enhancement, intangible cultural heritage craftsmanship and digital marketing, with training quality and effectiveness continuously enhanced through digital tools. We have conducted structured annual talent reviews and organised open competitions for job placements, while clarifying qualification standards for each position, ensuring clear career development pathways, and consistently stimulating endogenous momentum. In addition, we have organised the "Dream-Inspiring Course Development Competition" and specialised project management training sessions to comprehensively empower employee growth and advancement.

Strengthening the development of our corporate culture promotion platform, we have thoroughly explored and publicised the exemplary deeds of benchmark employees, integrating benchmark-driven leadership into daily management and cultural activities. We have refined the long-term incentive mechanism centred on role models, fostering a strong atmosphere of "learning from benchmarks, striving for excellence, and achieving outstanding results". This has enabled high-quality corporate development through cultural soft power.

The Group focuses on product design and technological breakthroughs, solidifying its development foundation through research and development innovation. The Highlight Moment (高光時刻) series features the "micron-level light track engraving process", achieving a 360° dazzling texture with no dark surfaces through self-developed diamond cutting tools and 20 days of meticulous polishing. The Chinese Red (紅韻東方) 2.0 series further integrates elements of cultural artifacts, bearing craftsmanship, and intangible cultural heritage filigree techniques, enhancing an immersive product experience with "rotatable and interactive" features. As of the end of 2025, the Company held 582 patents, including 47 invention patents, 101 utility model patents, and 434 design patents, as well as 7,183 copyrights, 706 trademarks, and hosted or participated in formulating 20 national standards and 16 industry standards. Additionally, the preparation technology for high-end jewelry spring clasps won first prize in the Shandong Province High-End Equipment New Industrialization Innovation and Creativity Competition.

2026 OUTLOOK

In 2026, there remains no sign of relief from economic and geopolitical uncertainties. Coupled with the combined impacts of multiple factors such as the implementation of new tax policies, industry reshuffling and elimination will further intensify. We will continue to deeply pursue our strategies of "globalization, youth orientation, and digitalization", accelerate the transition towards value creation, actively respond to the diversified trends in market demand, and build a gold product matrix covering different market positions including high-end, lightweight, and high cost-performance offerings. Meanwhile, we will further strengthen product innovation, enhance brand building, digital operations, and supply chain management capabilities, thereby continuously bolstering our core competitiveness to confront industry changes and challenges with greater composure.

We will accelerate the transformation and upgrading of the core brand. The Company has comprehensively promoted its brand upgrade strategy, guided by a clear brand positioning, systematically carried out integrated marketing across all channels, and built a multi-dimensional brand influence. Through initiatives such as announcing a new brand ambassador, co-creating co-branded gold products with internationally renowned IP "SpongeBob", and collaborating with intangible cultural heritage artists to launch the "Braided Good Fortune" collection, the Company has actively expanded the market among young demographics. Centered on our strategy to appeal to younger consumers, it has centred efforts on new media content ecosystems, deeply cultivated content marketing across all channels, and connected online-to-offline pathways for cultivating consumer interest, continuously enhancing brand preference among young, fashion-conscious demographics. Concurrently, at the user operation level, the Company has advanced innovation in its brand private domain model, upgraded its membership operation system, and comprehensively improved traffic operation efficiency and conversion capabilities. By deeply integrating the brand's core essence into product design concepts, it has endowed gold jewellery with richer emotional value to better meet consumers' diverse and scenario-based wearing needs, further elevating brand affinity and building a differentiated competitive advantage in the market, thereby supporting the efficient achievement of business objectives.

We will advance the upgrade of smart manufacturing and full-process quality control. The Company will promote the development of 5G smart factories and expand the application of advanced technologies such as AI-assisted design, to continuously enhance flexible manufacturing capabilities, shorten the new product development and delivery cycle, and steadily reduce production costs. In terms of quality control, we will further improve the quality control system, strictly implement standardized management, and achieve full-process traceability and control from raw material procurement to production and sales, thereby reinforcing product quality defenses. Through efficient supply and reliable quality, we seek to further strengthen consumer trust in and recognition of the brand.

Enhancing merchandise and supply chain management capabilities. We will continuously optimise supplier structure and channel, and broaden high-quality supply channels to enhance supply chain stability and responsiveness. We will further refine the full-cycle merchandise management system covering introduction, maturity, and elimination phases. During the product introduction phase, we will strengthen testing, promotion, and precision marketing. In the maturity phase, we will drive production and inventory planning based on sales demand. During the elimination phase, while prioritising the health of category structure, we will orderly phase out inefficient long-tail styles, comprehensively enhancing the standardisation, refinement, and intelligence of merchandise operations.

Activating organisational effectiveness and enhancing collaborative efficiency. We will activate the organisation by building a talent system covering the full cycle of "attraction, cultivation, utilisation, and retention", fostering a high-performance organisational culture. Closely aligned with the strategic needs of "globalisation, youth orientation, and digitalisation", we will focus on key positions including research and development and design, smart manufacturing, overseas marketing, digital operations, and brand management, precisely recruiting high-end technical talent and international operations talent to continuously strengthen our core team. In terms of talent team building, we will improve promotion pathways and talent pipeline development programmes, while strengthening the intangible cultural heritage skills and enhancing core craftsmanship capabilities, ensuring the dual accumulation of technical strength and cultural heritage. We will continuously optimise performance and compensation systems, improve long-term incentive mechanisms, enhance the sense of belonging and stability among core talent, and foster an organisational atmosphere of co-creation, co-responsibility, and co-sharing, providing solid talent support for the implementation of corporate strategies.

The Group will strengthen information system development and continuously advance digital and intelligent transformation. The Group will deepen the application of core business systems, optimize digital control capabilities across production and manufacturing processes, and enhance production efficiency and quality traceability. Also, the Group will expand the application scenarios of RPA-driven process automation to improve internal operational efficiency. In addition, the Group will continue to optimize the business management reporting system, with a focus on marketing and finance, and build digital analytics tools that better align with business needs. Furthermore, the Group will leverage data to drive business decision-making, improving both efficiency and accuracy, and providing strong support for the Company's high-quality development.

The Group will deeply cultivate the domestic market while accelerating globalization, and build a dual-circulation development pattern that integrates both domestic and international markets. With products as the foundation and integrated marketing as the key approach, the Group will continuously create blockbuster product lines while optimizing the offline retail network. Moreover, the Group will establish a number of benchmark stores with demonstrative impact across the country, and explore replicable and practicable new retail models. The Group will increase efforts to expand into overseas markets by participating in international exhibitions and organizing product promotion events to strengthen brand visibility and continuously enhance global recognition. At the same time, the Group will deepen business cooperation with local distributors and agents to build a solid overseas sales network, achieving efficient coordination and mutual reinforcement between domestic and international markets.

The Group will adhere to a path of sustainable development. Environmental protection and sustainability will become key trends in the gold jewelry industry. With a responsible approach to operations, the Company consistently adopts green processes such as solder-free welding and cyanide-free hard gold techniques. These efforts reduce environmental pollution and lower the difficulty of waste treatment, while building technological advantages that are environmentally friendly, safe and high-quality. This will drive the transformation of the gold processing industry toward a greener and lower-carbon direction, achieving harmonious coexistence between corporate development and the ecological environment.

On behalf of the Group and its management team, I would like to express my deepest gratitude to all of our Shareholders, business partners, staff members and other stakeholders for their support of our growth and their trust in the Group. The Group is committed to embracing solid and sound measures to continue to solidify its strengths and competitive advantage, realize its growth plan and further enhance its leading position in the market. While abiding by its responsibility as a trusted corporate citizen, the Group shall also seek to generate robust and sustainable returns for its Shareholders.

WANG Zhongshan
Chairman and Executive Director
Shandong, the People's Republic of China
March 24, 2026

FINANCIAL HIGHLIGHTS

	Year ended December 31,				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Operating results					
Revenue	**20,709,567**	19,712,885	20,208,599	15,724,215	16,871,000
Gross profit	**1,579,017**	1,330,861	1,077,460	759,248	536,441
Profit for the year	**109,946**	200,737	233,472	180,756	224,498
Net profit attributable to equity Shareholders of the Company	**96,521**	189,361	230,375	180,825	220,618
Profitability					
Gross profit margin	**7.6%**	6.8%	5.3%	4.8%	3.2%
Profit margin	**0.5%**	1.0%	1.2%	1.1%	1.3%
Earnings per share (RMB)					
Earnings per share — basic	**0.36**	0.81	1.01	0.80	0.98
Earnings per share — diluted	**0.36**	0.81	1.01	0.80	0.98

	As of December 31,				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	**4,949,878**	4,934,656	4,021,006	3,260,393	3,695,282
Total liabilities	**2,582,560**	2,457,009	2,098,101	1,570,960	2,155,405
Non-controlling interest	**34,581**	19,925	8,549	5,452	7,814
Equity interest attributable to equity shareholders of the Company	**2,332,737**	2,457,722	1,914,356	1,683,981	1,532,063
Equity-liability ratio (total liabilities/net assets)	**1.1**	1.0	1.1	0.9	1.4

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In 2025, influenced by multiple factors including high gold prices and the implementation of new tax policies, market demand exhibited a diversified development trend, encompassing gold products with different positioning such as high-end, lightweight, and high cost-performance, which can match the differentiated demand preferences of various consumer groups. At the same time, consumers' recognition of gold's investment attributes continued to deepen. In 2025, the consumption volume of gold bullion and gold coins in China exceeded that of gold jewellery for the first time, marking a transitional shift in the consumption structure of the gold market.

According to the China Gold Association, total gold consumption in China in 2025 was 950.10 tonnes, representing a year-on-year decrease of 3.57%. The details are as follows:

- Gold jewellery: 363.84 tonnes, a year-on-year decrease of 31.61%;
- Gold bullion and gold coins: 504.24 tonnes, a year-on-year increase of 35.14%;
- Industrial and other uses: 82.02 tonnes, a year-on-year increase of 2.32%.

At the end of December 2025, the London spot gold fixing price was USD4,307.95 per ounce, representing an increase of 62.90% from USD2,644.60 per ounce at the beginning of the year. The closing price of Au9999 on the Shanghai Gold Exchange was RMB974.90 per gram, representing an increase of 58.78% from the opening price of RMB614.00 per gram at the beginning of the year.

BUSINESS REVIEW

Business model and product offerings

The Group is a gold jewellery original brand manufacturer in the China's gold jewellery industry, with an operation that encompasses key stages of the gold jewellery industry, from raw material sourcing and purification, research and development, product design, manufacturing to retailing through our diversified sales network. The Group is primarily engaged in (i) the production and sales of gold jewellery and other gold products; (ii) the production and sales of K-gold jewellery, diamond inlaying jewellery and other products; and (iii) the provision of services.

During the Reporting Period, the Group's total revenue increased by 5.1% to RMB20,709.6 million, compared to RMB19,712.9 million for the last year. The total comprehensive income of the Group for the year amounted to RMB110.1 million, compared to a total comprehensive income of RMB200.7 million for the last year.

Franchise network

The Group primarily sells products to its customers through (i) franchise network (including provincial-dealers and franchisees); and (ii) self-operated stores. As of December 31, 2025, the Group had established an offline sales network covering 2,521 (2024: 2,791) stores, comprising 2,493 (2024: 2,758) franchise stores and 28 (2024: 33) self-operated stores.

In addition, the Group also offers its products through online channels, including (i) sales to online platforms, and (ii) sales through self-operated online stores. As of December 31, 2025, the Group had operations on 12 (2024: 12) e-commerce platforms.

Expanding the global footprint

The Company has been actively advancing its overseas presence. Exported product categories encompass gold jewellery, K-gold jewellery, diamond inlaying jewellery, and multi-material accessories. The Company sells its products to regions including North America, Europe, the Middle East, and Southeast Asia, leveraging the advantages of its in-house manufacturing facilities to establish long-term cooperative relationships with overseas clients. As the Company deepens its presence in overseas markets, there have been notable improvements in product mix diversity, quality standards, and the breadth of client coverage. In 2025, the Company's overseas revenue reached RMB340.3 million, representing a year-on-year increase of 142.6%. Going forward, the management of the Company ("**Management**") will adhere to the overseas strategic layout and further expand the global market through close collaboration with the overseas teams.

FINANCIAL REVIEW, OPERATING RESULTS AND ANALYSIS

Revenue

The Group's revenue is primarily derived from (i) the production and sales of gold jewellery and other gold products; (ii) the production and sales of K-gold jewellery, diamond inlaying jewellery and other products; and (iii) the provision of services. The following table sets forth the breakdown of our revenue by product and services during the indicated periods:

	Year ended December 31,	
	2025 (RMB'000)	2024 (RMB'000)
Sales of gold jewellery and other gold products	**20,190,555**	19,280,247
Sales of K-gold jewellery, diamond inlaying jewellery and other products	**353,916**	342,650
Other services	**165,096**	89,988
Total:	**20,709,567**	19,712,885

Segment performance review

By products and services

(i) ***Sales of gold jewellery and other gold products***

During the Reporting Period, our revenue from sales of gold jewellery and other gold products was RMB20,190.6 million (2024: RMB19,280.2 million), representing a year-on-year increase of 4.7%. The increase was primarily due to the widespread rise in gold prices.

(ii) ***Sales of K-gold jewellery, diamond inlaying jewellery and other products***

During the Reporting Period, our revenue from K-gold jewellery, diamond inlaying jewellery and other products was RMB353.9 million (2024: RMB342.7 million), representing a year-on-year increase of 3.3%. The increase was primarily attributable to higher sales volumes of K-gold jewellery, diamond inlaying jewellery and other products sold to overseas customers.

(iii) ***Other services***

The Group collects service fees from multiple sources, including annual franchise fees, one-time franchise fees, brand access fees, and others.

During the Reporting Period, revenue from services amounted to RMB165.1 million (2024: RMB90.0 million), representing a year-on-year increase of 83.4%. The increase was mainly due to the increase in revenue received from subcontracting production with overseas customers.

By geographical markets

The Group generated revenue from two major geographical markets, namely: (i) Chinese Mainland; and (ii) overseas.

(i) *Chinese Mainland*

During the Reporting Period, the revenue derived from Chinese Mainland market amounted to RMB20,369.3 million (2024: RMB19,572.6 million), of which its revenue contribution to the total revenue amounted to 98.4% (2024: 99.3%).

(ii) *Overseas*

During the Reporting Period, the Group's revenue from overseas market amounted to RMB340.3 million (2024: RMB140.3 million), of which its revenue contribution to the total revenue amounted to 1.6% (2024: 0.7%). During the Reporting Period, the Group's revenue from overseas market increased by 142.6% year-on-year, mainly due to the initial success of the Group's overseas sales layout, which has led to significant improvements in product structure diversity, product quality and the breadth of customer coverage.

Cost of sales

Cost of sales primarily consists of material costs, staff costs, overheads and subcontracting costs. During the Reporting Period, cost of sales amounted to RMB19,130.6 million (2024: RMB18,382.0 million), a year-on-year increase of 4.1%. The increase was primarily due to the rise in material costs, which is typically driven by the increase in gold prices.

Gross profit and gross profit margin

During the Reporting Period, our gross profit amounted to RMB1,579.0 million (2024: RMB1,330.9 million), a year-on-year increase of 18.6%. The increase was primarily attributable to the rise in gold prices and the growth in overseas sales during the Reporting Period. The gross profit margin for the Reporting Period was 7.6% (2024: 6.8%). The change in gross profit margin was primarily due to rise in gold prices during the Reporting Period.

Other income

Other income mainly consisted of (i) interest income from bank and other deposits; (ii) other income from franchisees and provincial-dealers; (iii) rental income; and (iv) government grants. During the Reporting Period, other income amounted to RMB18.3 million (2024: RMB34.6 million), a year-on-year decrease of 47.1%. The decrease was primarily due to the decrease in government subsidies.

Distribution and selling expenses

Distribution and selling expenses mainly consisted of staff costs, media advertising and promotion expenses. During the Reporting Period, sales and distribution expenses amounted to RMB201.9 million (2024: RMB229.2 million), a year-on-year decrease of 11.9%, primarily due to the reduction in advertising expenses and the decline in employee compensation resulting from the decrease in the number of employees.

Research and development expenses

Research and development expenses mainly consisted of staff costs and consumables, such as raw materials used in research and development activities and parts and components of machinery. During the Reporting Period, the Group recorded research and development expenses of RMB18.9 million (2024: RMB22.4 million), a year-on-year decrease of 15.6%. The decrease was primarily due to the centralization of research and development projects, which resulted in a reduction in overall investment.

Administrative expenses

Administrative expenses mainly represented (i) staff costs, (ii) depreciation and amortization, and (iii) office expenses.

During the Reporting Period, administrative expenses amounted to RMB116.0 million (2024: RMB103.4 million), a year-on-year increase of 12.2%, primarily due to the increase in fees for agency and consulting services.

Other expenses and other gains and losses, net

Other expenses and other gains and losses, net mainly consisted of (i) direct operating expenses incurred for investment properties; (ii) realised losses on Au (T+D) contracts; (iii) realised losses on gold loans; and (iv) unrealised gains or losses on gold loans. During the Reporting Period, other expenses and other gains and losses, net amounted to RMB1,010.3 million (2024: RMB649.4 million), a year-on-year increase of 55.6%, primarily due to the increased losses on Au (T+D) contracts and gold loans resulting from higher gold prices.

Finance costs

Finance costs represent (i) interest on borrowings and amounts due to the controlling shareholder; (ii) interest on gold loans; (iii) interest on discounted bills payables; and (iv) interest on lease liabilities.

During the Reporting Period, our finance costs amounted to RMB91.2 million (2024: RMB71.5 million), a year-on-year increase of 27.6%, primarily due to the increased borrowings and gold loans of the Group, resulting in higher interest payments.

Net impairment losses under expected credit loss model

Net impairment losses under expected credit loss model mainly represented net impairment losses recognized on (i) trade receivables, and (ii) other receivables.

During the Reporting Period, the Group recorded reversals of impairment losses of RMB1.4 million, compared with impairment losses of RMB5.3 million for the year ended December 31, 2024, mainly due to the decrease in outstanding trade receivable balances.

Profit before tax

During the Reporting Period, profit before tax amounted to RMB160.5 million (2024: RMB269.8 million), a year-on-year decrease of 40.5%, primarily due to the increased losses on Au (T+D) contracts and gold loans as a result of higher gold prices, resulting in lower profit before tax.

Income tax expense

During the Reporting Period, our income tax expense amounted to RMB50.6 million (2024: RMB69.0 million) and our effective tax rate was 31.5% (2024: 25.6%).

Total comprehensive income for the year

During the Reporting Period, the Group recorded total comprehensive income for the year of RMB110.1 million (2024: RMB200.7 million), representing a year-on-year decrease of 45.1%, primarily due to the reasons set out above.

Total comprehensive income attributable to owners of the Company

During the Reporting Period, the Group recorded total comprehensive income attributable to owners of the Company for the year of RMB96.6 million (2024: RMB189.4 million), representing a year-on-year decrease of 49.0%.

FINANCIAL POSITION REVIEW

Assets

As of December 31, 2025, the Group had total assets of RMB4,949.9 million, total liabilities of RMB2,582.6 million and Shareholders' equity of RMB2,367.3 million.

Inventories

Inventories mainly include raw materials, work in progress, finished goods, goods in transit, consignment processing materials and consumables. As of December 31, 2025, our inventories amounted to RMB2,632.4 million (2024: RMB2,544.3 million), a year-on-year increase of 3.5%, which was primarily caused by an increase in gold prices during the Reporting Period.

Trade receivables

Trade receivables primarily represent receivables from our customers. As of December 31, 2025, our trade receivables amounted to RMB253.7 million (2024: RMB276.4 million), representing a year-on-year decrease of 8.2%, which was primarily attributable to the Group's stringent control over outstanding trade receivables balance.

Prepayments, deposits and other receivables

Prepayments, deposits and other receivables mainly represented our deductible input VAT and right to returned goods asset. Deductible input VAT was mainly in relation to procurement of property, plant and equipment. The right to returned goods asset represented the gold lending arrangement to our customers to replenish their inventories when they have urgent needs and the return policy of the Group's diamond inlaying jewellery products. As of December 31, 2025, our prepayments, deposits and other receivables amounted to RMB401.2 million (2024: RMB541.5 million), representing a year-on-year decrease of 25.9%, primarily due to a decrease in the right to returned goods asset resulting from a decline in inlaying product sales and gold lending.

Pledged/restricted deposits

Pledged and restricted deposits mainly include deposits pledged to banks to secure banking facilities, security deposits for issuance of bills payables, security deposits for gold loans, security deposits for gold trading accounts and others. As of December 31, 2025, pledged/restricted deposits amounted to RMB606.4 million (2024: RMB466.6 million).

Cash and cash equivalents

As of December 31, 2025, cash and cash equivalents amounted to RMB501.1 million (2024: RMB556.2 million).

Trade and bills payables

Trade payables primarily related to purchase of raw materials and finished goods and are non-interest bearing. Bills payables were in relation to bank bills that were applied to settle with an independent third-party supplier for procurement of gold materials from it. All bills payables by the Group were with a maturity period of less than one year.

As of December 31, 2025, trade and bills payables amounted to RMB265.8 million (2024: RMB394.1 million), representing a year-on-year decrease of 32.6%, primarily due to a decrease in usage of bills payables to settle for procurement of raw materials.

Other payables and accruals

Other payables and accruals mainly represented deposits received, salaries, welfare and bonus payable, accrued expenses, and other tax payable. As of December 31, 2025, other payables and accruals amounted to RMB160.9 million (2024: RMB144.4 million), representing a year-on-year increase of 11.4%, primarily due to an increase in tax-related expenses payable and performance deposits payable.

Contract liabilities

Contract liabilities represented the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. The contract liabilities were expected to be recognized as revenue in the next 12 months. The contract liabilities arose when customers made advance payment to the Group for their purchases, which the customers can fix the purchase price of the gold jewellery to be purchased in advance. As of December 31, 2025, contract liabilities amounted to RMB63.3 million (2024: RMB106.1 million), representing a year-on-year decrease of 40.3%, primarily due to a decrease in prepayment from customers.

Gold loans

The Group borrows gold from commercial banks for 3 months to 12 months and pays a fixed fee to the bank for the duration of the contract based on the value of gold at inception and relevant interest rates at inception. As of December 31, 2025, gold loans amounted to RMB547.8 million (2024: RMB359.1 million), representing a year-on-year increase of 52.5%, which is primarily caused by an increase in the amount of gold loans the Group incurred and the increase in the fair value of the gold borrowed from banks.

Refund liabilities

Under the Group's standard contract terms, except for closures of stores, franchisees have no right to return any goods after its acceptance of the products but have a right to exchange unsold diamond inlaying jewellery within five years. Revenue is recognized for sales when it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. Conversely, if the goods are expected to be exchanged, a refund liability, instead of revenue, is recognized. Simultaneously, the Group recognizes a right to return goods asset, measured at the carrying amount of the inventories sold less any expected costs to recover the goods, with a corresponding adjustment to the cost of sales. As of December 31, 2025, the Group recorded refund liabilities of RMB24.5 million (2024: RMB49.5 million), representing a year-on-year decrease of 50.5%, which is primarily caused by the decrease in sales of diamond inlaying jewellery products.

Capital expenditures

As of December 31, 2025, the Group had capital expenditures of RMB33.2 million (2024: RMB165.1 million), which were primarily used for property, plant and equipment, leasehold lands and intangible assets.

Capital commitments

As of December 31, 2025, the Group's capital commitments in respect of property, plant and equipment amounted to RMB9.7 million (2024: RMB5.4 million).

Contingent liabilities

As of December 31, 2025, the Group did not have any material contingent liabilities, material litigation or arbitration.

Liquidity, financial resources and capital structure

As of December 31, 2025, the Group had total assets of RMB4,949.9 million (2024: RMB4,934.6 million) and interest-bearing borrowings of RMB1,450.0 million (2024: RMB1,348.9 million), with a gearing ratio (defined as total borrowings divided by total equity) of 61.3% (2024: 54.4%).

As of December 31, 2025, the Group had net current assets of RMB1,834.8 million (2024: RMB1,996.5 million), comprising current assets of RMB4,366.6 million (2024: RMB4,238.9 million) and current liabilities of RMB2,531.8 million (2024: RMB2,242.4 million), with a current ratio of 1.7 times (2024: 1.9 times).

As of December 31, 2025, the Group's cash and cash equivalents and pledged/restricted bank deposits amounted to RMB1,107.5 million (2024: RMB1,022.8 million). As of December 31, 2025, the Group's cash and cash equivalents amounted to RMB501.1 million (2024: RMB556.2 million).

As of December 31, 2025, the Group's borrowings amounted to RMB1,450.0 million (As of December 31, 2024: RMB1,348.9 million), which were primarily denominated in RMB and all bore interest at fixed rates. The increase in the Group's borrowings was mainly used for general/working capital needs.

MATERIAL INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

During the Reporting Period, the Group did not have any material investments, material acquisitions or disposals of subsidiaries, associates or joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of December 31, 2025, the Group did not have any plans for material investments, disposals or additions of capital assets.

PLEDGE OF ASSETS

As of December 31, 2025, (i) property, plant and equipment with a carrying amount of RMB226.9 million (2024: RMB293.1 million) were pledged to banks as collaterals for the Group's borrowings, bills payables and gold loans; (ii) leasehold lands with a carrying amount of RMB49.1 million (2024: RMB3.4 million) were pledged to banks as collaterals for the Group's borrowings; (iii) investment properties with a carrying amount of nil (2024: RMB32.1 million) were pledged to banks as collaterals for the Group's borrowings; and (iv) the Group's pledged/restricted deposits with a carrying amount of RMB241.6 million (2024: RMB279.7 million) were pledged to banks as collaterals for the Group's borrowings, gold loans and bills payables.

OTHER SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

On January 14, 2025, the Board passed resolutions which, among other things, (i) appointed Mr. BAI Xianyue as the chairman of the Nomination Committee; (ii) proposed adoption of the H Share award scheme (the "**Share Award Scheme**"); (iii) proposed amendments to certain provisions of the Articles of Association; and (iv) proposed implementation of H Share full circulation ("**H Share Full Circulation**"). On February 10, 2025, the Company held the 2025 first extraordinary general meeting. The following resolutions were duly passed as special resolutions of the Company:

- adoption of the Share Award Scheme
- authorisation to the Board and/or its authorised person to handle all matters relating to the Share Award Scheme
- amendments to the Articles of Association

For further details, please refer to the announcements of the Company dated January 14, 2025 and February 10, 2025 and the circular of the Company dated January 15, 2025.

The Company has received a filing notice dated April 3, 2025 issued by the China Securities Regulatory Commission (the "**CSRC**") in respect of the H Share Full Circulation and has received approval of the listing of, and permission to deal in 164,760,000 H Shares of the Company from Hong Kong Stock Exchange as at April 14, 2025. For further details, please refer to the announcements of the Company dated April 3, 2025, April 14, 2025 and April 25, 2025.

On May 16, 2025, resolutions were passed at the first meeting of the third session of the Board to propose the implementation of H Share Full Circulation in respect of 40,000,000 unlisted Shares of the Company held by a Shareholder, representing approximately 14.65% of the total issued share capital of the Company as at May 16, 2025. H Share Full Circulation and conversion and listing are subject to other relevant procedures required by the CSRC, Hong Kong Stock Exchange and other relevant domestic and overseas regulatory authorities. For further details, please refer to the announcement of the Company dated May 16, 2025.

Save as disclosed above and in this annual report, there were no other significant events that had a significant impact on the Group's operations and financial performance during the Reporting Period.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company received a filing notice from the CSRC on January 16, 2026 in respect of the H Share Full Circulation, and obtained approval from the Hong Kong Stock Exchange on February 2, 2026 for the listing of, and permission to deal in, 40,000,000 H Shares. The H Share Full Circulation was completed on February 13, 2026. For further details, please refer to the announcements of the Company dated January 16, 2026, February 2, 2026 and February 12, 2026.

Save as disclosed above, there were no other material matters after the Reporting Period.

MARKET RISKS

The Group is exposed to various market risks from changes in market, such as commodity price risk, interest rate risk and risk of changes in economic development.

Foreign exchange risk

Our financial statements are expressed in RMB, but certain transactions of the Group are denominated in foreign currencies, and are exposed to foreign currency risk. As most of the Company's business transactions are conducted in Chinese Mainland and such transactions in Chinese Mainland are mainly denominated in RMB, the Company is exposed to foreign currency risk but such risk is not significant. Accordingly, the Group currently does not have a foreign currency hedging policy. However, the Management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Commodity price risk

A significant decline in the price of gold could adversely affect the Group's financial performance. In order to reduce the commodity price risk, the Group uses gold loans as well as derivative financial instruments of gold contracts, such as Au (T+D) contracts, to reduce its exposure to fluctuations in the gold price on gold products. However, revenue arising from increases in gold prices are generally only reflected upon the sale of products, and the revenue from appreciation of unsold inventory goods is not reflected. When products are sold at prevailing market prices, the increased revenue generated from higher gold prices will offset the adverse impact of losses from Au (T+D) contracts and gold loans on net profit.

Interest rate risk

The Group's fair value interest rate risk relates primarily to pledged/restricted deposits, fixed-rate borrowings, gold loans and lease liabilities. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances, which carry prevailing market interest rates. The Group manages interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The Group did not use any interest rate swap contracts to hedge its interest rate risk during the Reporting Period.

Risk of changes in economic development

The Group's business is particularly sensitive to the economic development and the purchasing power of consumers in the PRC. Economic growth in the PRC over the past three decades has led to substantial growth in personal disposable income and has resulted in increasing purchasing power and greater demand for discretionary consumer products. The demand for gold jewellery products is partially dependent on end-consumers' income and consumption patterns, which in turn are affected by prevailing economic conditions. The Group intends to continue to develop and offer different product categories with various designs and features that align with regional market trends and cater to consumer preferences.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. WANG Zhongshan

Mr. WANG Zhongshan (王忠善, formerly known as Wang Zhongshan (王中善)), aged 62, is the founder of the Company. He was appointed as a Director and chairman of the Board in June 2018 and re-designated as an executive Director in September 2023. Mr. WANG serves as director or management in certain subsidiaries of the Company, such as Tianjin Mokingran, Shandong Mokingran, Changle Chengxin, Hong Kong Mokingran and Nanjing Mokingran. Mr. WANG is responsible for overseeing the overall business development, and formulating and implementing business strategies of the Group.

Mr. WANG has more than 20 years of experience in gold jewellery industry and has been committed to gold jewellery crafting skills for years. Prior to founding the Group in 2000, Mr. WANG first acted as an apprentice and was engaged in gemstone inlay and processing work in the 1990s, accumulating valuable industry experience. In recognition of Mr. WANG's gold jewellery craftsmanship and contribution to the jewellery industry, he was named in the List of Fifth Batch of Inheritors of Provincial Intangible Cultural Heritage of Shandong Province in October 2018, recognized as the First Folk Art Master in Weifang in January 2013, and awarded with "Individual with Outstanding Contribution in Jewellery Industry of 40th Years of China's Reform and Opening up" in December 2018.

Mr. WANG obtained a master of Business Administration Training Certificate from Taishan Management School in June 2014.

Mr. WANG is the spouse of Ms. ZHANG Xiuqin, an executive Director, and the father of Mr. WANG Guoxin, the General Manager, and Ms. WANG Na, a Controlling Shareholder.

Ms. ZHANG Xiuqin

Ms. ZHANG Xiuqin (張秀芹), aged 60, was appointed as a Director in December 2000. She served as an executive Director and general manager of the Company from December 2000 to May 2011, as a Supervisor from May 2011 to August 2018, and as an executive Director and general manager from June 2018 to September 2023, and was re-designated as an executive Director and appointed as the vice chairman of the Board since September 2023. Ms. ZHANG also serves as director or management in certain subsidiaries of the Company, such as Jinan Chengxin, Shandong Yifu, Shandong Mokingran, Shenzhen Mokingran, Hong Kong Mokingran, and Tianjin Chengxin Gold. Ms. ZHANG is responsible for formulating and implementing business strategies, daily management and operation of the Group.

Ms. ZHANG has accumulated more than 20 years of working experience in gold jewellery industry. From 1999 to 2003, Ms. ZHANG was self-employed and was engaged in gemstone inlay and raw materials processing business. Ms. ZHANG obtained a master of Business Administration Training Certificate from Taishan Management School in June 2014.

Ms. ZHANG is the spouse of Mr. WANG Zhongshan, an executive Director, and the mother of Mr. WANG Guoxin, the General Manager, and Ms. WANG Na, a Controlling Shareholder.

Mr. WANG Zegang

Mr. WANG Zegang (王澤鋼), aged 46, was appointed as a Director, vice general manager and secretary of the Board in June 2018, re-designated as an executive Director in September 2023 and appointed as a joint company secretary in September 2023. He is primarily responsible for the Group's investment, financing, information disclosure, investor relations of the Group.

Prior to joining the Group, Mr. WANG served successively as a director of the customer service center and securities management department, a vice general manager, secretary of the board and chief financial officer of Shandong Mining Machinery Group Co., Ltd. (山東礦機集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002526) (the principal business of which is production and sales of specialized equipment), and was responsible for matters such as board of directors office and finance management center from March 2007 to December 2015.

Mr. WANG obtained a bachelor's degree in Chinese language and literature from Shandong Normal University in June 2004 and obtained an engineering master degree in project management from Qingdao University of Science and Technology in June 2015.

Mr. WANG obtained the certificate of board secretary qualification issued by the Shanghai Stock Exchange in December 2011 and the certificate of board secretary qualification issued by the Shenzhen Stock Exchange in May 2013.

Mr. WANG Guoxin

Mr. WANG Guoxin (王國鑫), aged 36, was appointed as an executive Director on May 16, 2025. Mr. WANG confirmed that he (i) obtained the legal advice referred to under Rule 3.09D of the Listing Rules on May 13, 2025; and (ii) understood his obligations as a director of a listed issuer under the Listing Rules.

Mr. WANG joined the Group in February 2016 as the commissioner to the administration department of Shenzhen Mokingran, and then successively served as a channel commissioner of the channel management department, a director assistant of direct service management department and a director of the product planning department. He was appointed as a deputy general manager of the Company in September 2018 and a marketing director of the Company in November 2019. He was appointed as a deputy general manager and marketing director in September 2022 and a general manager in September 2023, responsible for formulating and implementing business strategy, daily management and operation of the Group. Mr. WANG has also served as a general manager of Guangdong Mokingran since August 2019.

Mr. WANG obtained a junior college diploma in International Trade Practice from Shandong University of Finance (山東財政學院) in June 2011 and a master's degree of science in International Finance from Edinburgh Napier University in October 2014. Mr. WANG was awarded the qualification of senior engineer by the Weifang Municipal Human Resources and Social Security Bureau in January 2025.

Mr. WANG is the son of Mr. WANG Zhongshan and Ms. ZHANG Xiuqin, executive Directors, and the brother of Ms. WANG Na, a Controlling Shareholder.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. BAI Xianyue

Mr. BAI Xianyue (白顯月), aged 55, was appointed as an independent non-executive Director in August 22, 2024. He is responsible for providing independent judgment and advice to the Board on the operation and management of the Group.

Mr. BAI Xianyue has been practicing as a licensed lawyer in China for over 20 years. He has been an independent director of First Futures Co., Ltd. (一德期貨有限公司) since April 2016 and has been a partner of Grandall Law Firm (Tianjin) (國浩(天津)律師事務所) since January 2019.

Mr. BAI has been appointed as an arbitrator on the roster of China International Economic and Trade Arbitration Commission (CIETAC), Hong Kong International Arbitration Centre (HKIAC), Court of Arbitration for Sport (CAS), Asian International Arbitration Centre (AIAC), International Commercial Dispute Prevention and Settlement Organization (ICDPASO), Beijing Arbitration Commission, Shanghai International Arbitration Centre, Shenzhen Court of International Arbitration and other arbitration institutions; and concurrently he is a member of the Arbitration Committee of the International Chamber of Commerce (ICC). He served as one of the six arbitrators on the Ad Hoc Arbitral Tribunal for the 18th Asian Games held in Indonesia in 2018 and as one of the nine arbitrators on the Ad Hoc Arbitral Tribunal for the Beijing 2022 Winter Olympics from January to February 2022.

Mr. BAI obtained the Degree of Advanced Studies Master of Laws granted by Katholieke Universiteit Leuven in July 2003 and the Degree of Magister Juris granted by the Lincoln College, the University Offices, Oxford in July 2006. Mr. BAI was awarded the title of third grade lawyer (三級律師職稱) in December 2023 by the Tianjin Municipal Human Resources and Social Security Bureau (天津市人社局).

Mr. WENG Xin

Mr. WENG Xin (翁欣), aged 45, was appointed as an independent non-executive Director on May 16, 2025. He is responsible for providing independent judgment and advice to the Board on the operation and management of the Group. Mr. WENG confirmed that he (i) obtained the legal advice referred to under Rule 3.09D of the Listing Rules on May 13, 2025; and (ii) understood his obligations as a director of a listed issuer under the Listing Rules.

Mr. WENG obtained a master's degree in finance from Peking University in 2010 and a doctorate in management from Tsinghua University in 2020. He has extensive experience in investing in equity assets and precious metals. He currently serves as the president of Fujian Houdecheng Cultural Tourism Health Industry Group* (福建厚德成文旅健康產業集團有限公司).

Mr. DING Xiaodong

Mr. DING Xiaodong (丁曉東), aged 60, was appointed as an independent non-executive Director on May 16, 2025. He is responsible for providing independent judgment and advice to the Board on the operation and management of the Group. Mr. DING confirmed that he (i) obtained the legal advice referred to under Rule 3.09D of the Listing Rules on May 13, 2025; and (ii) understood his obligations as a director of a listed issuer under the Listing Rules.

Mr. DING has over 20 years of experience in accounting and finance education. He has been teaching at the Shandong University of Finance (山東財政學院) (currently known as Shandong University of Finance and Economics (山東財經大學)) since June 1988, and his current position is an associate professor in accounting. He previously served/currently serves as an independent director of various companies listed on other stock exchanges:

Name of the Listed Company	Stock Exchange	Stock Code	Term of Appointment
Chengdu Mam & Baby CO., Ltd. (成都孕嬰世界股份有限公司)	National Equities Exchange and Quotations	874178	Since July 2022
MAIKE TUBE INDUSTRY HOLDINGS LIMITED (邁科管業控股有限公司)	Main Board of the Hong Kong Stock Exchange	1553	Since November 2019
Ningbo Borine Electric Appliance Co., Ltd (寧波博菱電器股份有限公司)	National Equities Exchange and Quotations	873083	From August 2017 to August 2023

From November 2021 to May 2025, Mr. DING has also been serving as a supervisor of Qingdao Hiron Commercial Cold Chain Co., Ltd (青島海容商用冷鏈股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (Stock Code: 603187).

Mr. DING graduated from the Central University of Finance and Economics (中央財經大學), the PRC with a bachelor's degree in Economics in June 1988 and received his master's degree in management from the Dongbei University of Finance and Economics (東北財經大學), the PRC in June 1999.

SENIOR MANAGEMENT

Mr. WEN Shuqing

Mr. WEN Shuqing (溫書慶), aged 58, served as a director of the Marketing Department of Shandong Mokingran from March 2007 to June 2018, responsible for marketing operation and risk control management of the Group.

Mr. WEN has more than 30 years of experience in gold jewellery industry, serving as a deputy chief secretary of Gems & Jewellery Trade Association of Shandong Province (山東省珠寶玉石首飾行業協會) since November 2017 and a vice chairman of Shandong Gem and Jade Chamber of Commerce (山東省寶玉石商會). Prior to joining the Group, Mr. WEN worked in the jewellery and gold shop of Shandong Province Gold Industry Company (山東省黃金工業總公司珠寶金行) from July 1991 to September 1996. Mr. WEN worked at Shandong Industrial Company from September 1996 to December 2003 and Shandong Gold Xinyi Jewellery Co., Ltd. (山東黃金鑫意首飾有限公司) from January 2004 to May 2007.

Mr. WEN completed his undergraduate studies majoring in statistics and accounting in Shandong Institute of Economics (山東經濟學院) in July 1998.

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors hereby presents the annual report and the audited financial statements of the Group (the "**Financial Statements**") for the year ended December 31, 2025 to Shareholders.

COMPOSITION OF THE BOARD OF DIRECTORS

As of December 31, 2025, the Board consisted of the following seven Directors:

Executive Directors

Mr. WANG Zhongshan *(Chairman)*
Ms. ZHANG Xiuqin
Mr. WANG Guoxin
Mr. WANG Zegang

Independent Non-executive Directors

Mr. BAI Xianyue
Mr. WENG Xin
Mr. DING Xiaodong

PRINCIPAL BUSINESS

The Company is a gold jewellery original brand manufacturer in China's gold jewellery industry, with an operation that encompasses key stages of the gold jewellery industry, from raw material sourcing and purification, research and development, product design, manufacturing to retailing through our diversified sales network. For further information of the principal business of the Company, please refer to the section "Business Review" of this annual report.

BUSINESS REVIEW

A review of the Group's business during the year ended December 31, 2025, which includes an analysis of the Company's performance using financial key performance indicators, particulars of important events affecting the Company during the year ended December 31, 2025, an indication of likely future developments in the Company's business and relationships with stakeholders as required under Schedule 5 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong), could be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" in this annual report. The review and discussion form part of this "Report of the Board of Directors".

POTENTIAL RISKS AND UNCERTAINTIES FACED BY THE COMPANY

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorised these risks and uncertainties into the following:

- Our business and future growth prospects rely on consumer demand for our products.
- Any changes in market trends, consumers' demand or preferences, may materially and adversely affect our business and results of operations.
- We have limited control over the operations of our franchisees.
- We may not be able to protect our trade name and other intellectual property rights if we face any negative publicity.
- Our production machinery and technical know-how may become out-of-date which may affect our business, financial conditions and results of operations.
- Fluctuation of raw material prices could adversely affect our business, financial conditions and results of operations.
- We may not be successful in utilizing gold price exposure management method to manage the fluctuations in gold price.

MAJOR CUSTOMERS AND SUPPLIERS

In the Reporting Period, the Company's customers mainly consist of provincial-dealers and franchisees. In the Reporting Period, the largest customer accounted for 4.8% of the Company's total revenue. The Company did not rely on any single customer during the Reporting Period. The Company's five largest customers accounted for less than 16% of the Company's total revenue.

In the Reporting Period, the Company's largest suppliers accounted for 82.2% of the Company's total purchases. The Company's five largest suppliers accounted for 95.2% of the Company's total purchases.

None of the Directors or any of their close associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Company's five largest suppliers or the Company's five largest customers.

FINAL DIVIDEND

As of December 31, 2025, no arrangement was reached pursuant to which the Shareholders waived or agreed to waive their dividends.

The Board proposed to declare a final dividend of RMB0.3 per Share (before tax) (representing an aggregate amount of RMB81.91 million (before tax) based on the total issued Shares of the Company as of the date of this annual report) for the year ended December 31, 2025.

The aforesaid dividend distribution proposal is subject to the consideration and approval at the annual general meeting of the Company to be convened on May 8, 2026. If the distribution proposal is approved at the annual general meeting, it is expected that the final dividend for the year ended December 31, 2025 will be paid no later than two months after the annual general meeting to the Shareholders. The Company will separately announce the exact expected dividend payment date. The proposed final dividend will be declared in Renminbi and paid in Hong Kong dollars to the holders of H Shares, the exchange rate of which will be calculated based on the exchange rate of Renminbi against Hong Kong dollars as announced by the People's Bank of China on the business day prior to the annual general meeting.

DIVIDEND TAX

According to the Law on Enterprise Income Tax of the People's Republic of China (《中華人民共和國企業所得稅法》) which came into effect on January 1, 2008 and amended on February 24, 2017 and December 29, 2018, respectively, and its implementing rules, the Notice on the Issues Concerning Withholding and Paying Enterprise Income Tax on the Dividends Paid by PRC Resident Enterprises to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), which was promulgated by the State Administration of Taxation and came into effect on November 6, 2008, etc., where a PRC domestic enterprise distributes dividends for 2008 and subsequent years for financial periods beginning from January 1, 2008 to non-resident enterprise shareholders, it is required to withhold and pay 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the annual dividend as enterprise income tax, distribute the annual dividend to non-resident enterprise Shareholders whose names appear on the register of members of H Shares, i.e. any Shareholders who hold H Shares in the name of non-individual Shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or holders of H Shares registered in the name of other organisations and groups. After receiving dividends, the non-resident enterprises Shareholders may apply to the competent tax authorities for enjoying treatment of tax treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such tax treaties (arrangement). After having verified that there is no error, the competent tax authorities shall refund tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant tax treaties (arrangement).

Pursuant to the Notice on the Issues Regarding Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045 號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348 號)), the Company shall withhold and pay individual income tax for individual holders of H Shares.

If the individual holders of H Shares are Hong Kong or Macau residents or residents of other countries or regions that have a tax rate of 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders.

If the individual holders of H Shares are residents of countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders. If such Shareholders wish to claim refund of the amount in excess of the individual income tax payable under the relevant tax treaties, the Company may apply, on behalf of such Shareholders and according to the relevant tax treaties, for the relevant agreed preferential tax treatment, provided that the relevant Shareholders submit the relevant documents and information in a timely manner required by the Administrative Measures on Enjoying Treatment under Tax Treaties by Nonresident Taxpayers (State Administration of Taxation Announcement 2015, No. 60) (《非居民納稅人享受稅收協議待遇管理辦法》(國家稅務總局公告2015年第60號)) and the provisions of the relevant tax treaties. The Company will assist with the tax refund subject to the approval of the competent tax authorities. If the individual holders of H Shares are residents of countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such Shareholders.

If the individual holders of H Shares are residents of countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or that have not entered into any tax treaties with the PRC, or otherwise, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such Shareholders. Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H Shares in the PRC and in Hong Kong and other tax effects.

CLOSURE OF THE REGISTER OF MEMBERS

(a) Eligibility for attending and voting at the annual general meeting

The register of members of the Company will be closed from Tuesday, May 5, 2026 to Friday, May 8, 2026 (both days inclusive) during which period no transfer of shares will be effected. In order to be entitled to attend the annual general meeting of the Company, holders of H Shares are required to lodge their transfer forms accompanied by their share certificates and other applicable documents with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, May 4, 2026.

(b) Eligibility for receiving the proposed final dividend

Subject to the approval of the resolution for the proposed final dividend by the Shareholders at the annual general meeting, the register of members of the Company will be closed from Thursday, May 14, 2026 to Tuesday, May 19, 2026 (both days inclusive), during which no transfer of shares will be effected. To be eligible for receiving the proposed final dividend, holders of H Shares whose transfer documents have not been registered are required to deposit all completed documents relating to Share transfer accompanied by the relevant Share certificates to the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, May 13, 2026.

FINANCIAL STATEMENTS

The financial statements of the Group for the current financial year is set out on pages 135 to 202 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Reporting Period are set out in note 16 to the consolidated financial statements of this annual report.

LOAN AND GUARANTEE PROVIDED TO DIRECTORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS OF THE COMPANY AND THEIR RESPECTIVE CONNECTED PERSONS

During the Reporting Period, the Company had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors and senior management of the Company, the Controlling Shareholders of the Company or their respective connected persons.

SHARE CAPITAL

As of December 31, 2025, the total share capital of the Company was RMB273,023,466, divided into 273,023,466 Shares of RMB1.00 each. Details of movements in the share capital of the Company during the year ended December 31, 2025 are set out in note 32 to the consolidated financial statements of this annual report.

H Share Full Circulation

The Company completed the conversion of 164,760,000 Unlisted Shares and 40,000,000 Unlisted Shares into H Shares on April 25, 2025, and February 12, 2026, respectively. These Shares commenced trading on the Hong Kong Stock Exchange on April 28, 2025, and February 13, 2026, respectively. Consequently, all issued ordinary Shares of the Company are now H Shares.

PURCHASE, SALE AND/OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

As of December 31, 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DEBENTURES AND CONVERTIBLE BONDS IN ISSUE

The Group did not have any debentures and/or convertible bonds in issue for the year ended December 31, 2025.

EQUITY-LINKED AGREEMENTS

During the Reporting Period, the Group did not enter into any equity-linked agreement, nor did the Group have any equity-linked agreement.

PRE-EMPTIVE RIGHTS AND TAXATION RELIEF OR EXEMPTION

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of the PRC, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders. The Company is not aware of any tax relief or exemption available to any existing Shareholder by reason of his/her holding of the securities of the Company.

RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity. Details of the movement in the reserves of the Company during the Reporting Period is set out in note 43 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As of December 31, 2025, the Company's distributable reserves, calculated in accordance with PRC rules and regulations, were RMB287.0 million.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float during the Reporting Period and up to Latest Practicable Date.

As of December 31, 2025, the Company's shareholding structure was as follows:

Shareholder name	Share class	Number of Shares	Approximate percentage of interest in the Company
Non-public Shareholders			
Mr. WANG Zhongshan, Ms. ZHANG Xiuqin, Jinmeng Partnership, Jinyuan Partnership and Jinlong Partnership	H Shares	164,760,000	60.35%
Mr. WANG Guoxin, Ms. WANG Na and Tianjin Yuanjinmeng	Domestic Shares[1]	40,000,000	14.65%
Public Shareholders	H Shares	68,263,466	25.00%
	Total	273,023,466	100%

(1) Converted to H Shares with effect from February 12, 2026

COMPLIANCE WITH THE CG CODE

The Company's compliance with corporate governance principles and practices are set out in the Corporate Governance Report of this annual report.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

The Group is committed to contributing to the sustainability of the environment and maintaining a high standard of corporate social governance essential for creating a framework for motivating staff, and contributes to the community in which we conduct our businesses and creating a sustainable return to the Group. During the Reporting Period, to the best of the Directors' knowledge, the Group had not experienced any material environmental incidents arising from its operation. During the Reporting Period, no material administrative sanctions or penalties were imposed upon the Group's operation for the violation of environmental laws or regulations which had an adverse impact on its operation.

For further details of the Company's environmental policies and performance, please refer to the environmental, social and governance report which forms part of this annual report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Company are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Pursuant to Rule 13.51(B) of the Listing Rules, there is no other change in the information of Directors or the chief executive of the Company except as disclosed in this annual report.

DIRECTORS' SERVICE CONTRACTS

The Company have entered into a service agreement or an appointment letter with each of the Directors which contains provisions in relation to, among other things, (i) compliance of relevant laws and regulations; and (ii) observance of the Articles of Association. The principal particulars of these service agreements are: (a) each of the agreements is for a term of three years following his/her respective appointment date; and (b) each of the agreements is subject to termination in accordance with their respective terms. The service agreements may be renewed in accordance with the Articles of Association and the applicable rules.

Save as the above, none of the Directors has entered into any service agreements or appointment letters with the Company or any of its subsidiaries, excluding contracts expiring or determinable by the Company within one year without payment of compensation, other than statutory compensation.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of the emoluments of the Director, the Directors resigned during the Reporting Period and the five highest paid individuals in the Company are set out in notes 12 and 13 to the consolidated financial statements on pages 166 to 169 of this annual report. The emolument payable to Directors will depend on the contractual terms stated in their service agreement or appointment letter and is fixed by the Board, taking into account (i) the Remuneration and Appraisal Committee's recommendations; (ii) their duty, responsibility and performance; and (iii) prevailing market conditions.

For the Reporting Period, no emoluments were paid by the Company to any Directors, Directors resigned during the Reporting Period or any of the five highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of office. None of the Directors has waived any emoluments for the year ended December 31, 2025.

Except as disclosed above, no other payments have been made or are payable, during the Reporting Period, by the Company to or on behalf of any of the Directors.

EMPLOYEES AND REMUNERATION POLICIES

We recognize the importance of talent for sustainable business growth and competitive advantages. We believe that our success depends on our ability to attract, retain and motivate qualified personnel. As of December 31, 2025, we had 1,840 (2024: 1,884) full-time employees, all of whom were based in China.

For the Reporting Period, our total employee benefit expense (excluding directors' remunerations) were RMB235.1 million (2024: RMB245.5 million). The remuneration is determined based on the terms of reference, the prevailing industry practice and the educational background, experience and performance of the staff, the importance of the post, the amount of time he/she devotes to the post, etc.. These policies are reviewed regularly. Besides salaries, the Group also provides other fringe benefits to its employees, including year end bonuses, allowances and benefits in kind.

We have invested substantial efforts and resources in recruiting and training our employees. In addition to our recruitment process and internal referrals, we also recruit talent through specialized recruiting firms and other third parties.

We offer vocational training to our newly hired employees serving in the production function to equip them with adequate knowledge and skills in respect of gold jewellery crafting before formally engaging them in our daily production. The training will usually last for three to six months depending on the skillsets required for respective positions. We regularly review the performance of our employees according to their individual key performance indicators (KPI) and make reference to such performance appraisals in our discretionary bonus, salary adjustment and promotional appraisal in order to attract and retain talented employees. In light of the long-term benefits of talent cultivation, we provide internal training programs to our employees from time to time so as to enhance our overall efficiency and promote employees' sense of belonging to the Group. We place heavy emphasis on occupational safety in our production and we conduct periodic training for our employees to raise awareness in relation to production safety.

We believe we have maintained good relationships with our employees. During the Reporting Period and up to the date of this annual report, we have not experienced any strikes or any labor disputes with our employees which have had or are likely to have a material effect on our business.

ARRANGEMENTS FOR PURCHASE OF SHARES OR DEBENTURES

None of the Company, its holding company or any of its subsidiaries has entered into any arrangement at any time during the Reporting Period, so that the Directors would benefit from the purchase of Shares or debt securities (including debentures) of the Company or any other body corporate.

CONTRACT WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, no contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders or any of their respective subsidiaries during the Reporting Period, and no contract of significance for the provision of services to the Company or any of its subsidiaries by the Controlling Shareholders or any of their respective subsidiaries was entered into during the Reporting Period.

DIRECTORS' INTERESTS IN CONTRACTS, AGREEMENTS OR TRANSACTIONS

No transaction, arrangement and contract of significance to the business of the Company which the Company or any of its subsidiaries was a party, and in which a Director or any entity connected with such a Director had a material interest, whether directly or indirectly, subsisted during the Reporting Period.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into by the Company or in existence during the Reporting Period.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

DIRECTORS' INTEREST AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of December 31, 2025, the interests and/or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code to be notified to the Company, once the Shares are listed on the Hong Kong Stock Exchange were as follows:

Interests in Shares and underlying Shares

Name and position	Description of Shares[1]	Nature of interests	Number of Shares	Approximate percentage of interest in the Company
Mr. WANG Zhongshan (executive Director)	H Shares (L)	Beneficial owner	64,760,000	23.72%
		Interest in controlled corporation[2]	22,000,000	8.06%
		Interest of spouse[2]	78,000,000	28.57%
Ms. ZHANG Xiuqin (executive Director)	H Shares (L)	Beneficial owner	60,000,000	21.98%
		Interest in controlled corporation[2]	18,000,000	6.59%
		Interest of spouse[2]	86,760,000	31.78%
Mr. WANG Guoxin (executive Director and general manager)	Domestic Shares (L)[3]	Interest in controlled corporation[3]	40,000,000	14.65%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Ms. ZHANG Xiuqin is the spouse of Mr. WANG Zhongshan. As such, Mr. WANG Zhongshan and Ms. ZHANG Xiuqin are deemed to be interested in the Shares, directly or indirectly, held by each other.

Jinmeng Partnership, Jinyuan Partnership and Jinlong Partnership are limited partnerships established in the PRC and are the Employee Shareholding Platforms. Ms. ZHANG Xiuqin directly and indirectly controls more than one-third of the limited partnership interests in Jinyuan Partnership and Jinlong Partnership; and Mr. WANG Zhongshan directly and indirectly controls more than one-third of the limited partnership interests in Jinmeng Partnership. Therefore, Mr. WANG Zhongshan and Ms. ZHANG Xiuqin are deemed to be interested in the Shares directly held by Jinyuan Partnership, Jinlong Partnership and Jinmeng Partnership by virtue of the SFO.

(3) Tianjin Yuanjinmeng was owned as to 50% by Mr. WANG Guoxin and 50% by Ms. WANG Na. Therefore, Mr. WANG Guoxin and Ms. Wang Na are deemed to be interested in the Shares directly held by Tianjin Yuanjinmeng. Since February 12, 2026, these Shares have been converted into H Shares.

Save as disclosed above, as of December 31, 2025, none of the Directors and chief executive had interests or short positions in the Shares or underlying Shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under the provisions of Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITION

As of December 31, 2025, so far as it was known to the Directors and chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which are required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or had interests or short positions in 5% or more of the respective type of Shares which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Description of Shares[1]	Nature of interests	Number of Shares	Approximate percentage of interest in the Company
Jinmeng Partnership[2]	H Shares (L)	Beneficial owner	22,000,000	8.06%
Ms. WANG Na[3]	Domestic Shares (L)	Interest in controlled corporation	40,000,000	14.65%
Tianjin Yuanjinmeng[3]	Domestic Shares (L)[3]	Beneficial owner	40,000,000	14.65%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Jinmeng Partnership is a limited partnerships established in the PRC and is one of the Employee Shareholding Platforms.

(3) Tianjin Yuanjinmeng was owned as to 50% by Mr. WANG Guoxin and 50% by Ms. WANG Na. Therefore, Mr. WANG Guoxin and Ms. WANG Na are deemed to be interested in the Shares directly held by Tianjin Yuanjinmeng. Since February 12, 2026, these Shares have been converted into H Shares.

Save as disclosed above, the Company is not aware that as of December 31, 2025, any other person had any interests or short positions in the Shares and underlying Shares, which is required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which is required to be entered in the register maintained by the Company under section 336 of the SFO.

PERMITTED INDEMNITY PROVISION

The Company has not entered into any permitted indemnity provisions or arrangements with the Directors.

RETIREMENT BENEFITS SCHEME

The employees of the Company's subsidiaries in the PRC are required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The Group is obliged to make specified contributions to the retirement benefit scheme.

Details of the pension obligations of the Company are set out in note 33 to the consolidated financial statements in this annual report. During the Reporting Period, no forfeited contributions had been used by the Company to reduce the existing level of contributions.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the Reporting Period are set out in note 40 to the consolidated financial statements contained herein.

The related party transactions disclosed in note 40 were not regarded as connected transactions or were exempt from reporting, announcement and Shareholders' approval requirements under the Listing Rules.

The Company confirmed it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

NON-COMPETITION UNDERTAKING

To ensure that competition does not develop between us and other business activities and/or interests of the Controlling Shareholders, each of the Controlling Shareholders ("**Covenantor(s)**") has commercially agreed and has entered into a Non-Competition Agreement in favour of the Company (for itself and as trustee for the benefit of each of the subsidiaries from time to time) on November 19, 2024, pursuant to which each of the Covenantors has, among other things, irrevocably and unconditionally undertaken, jointly and severally, with the Company that at any time during the period commencing from the Listing Date and shall expire on the earlier of:

(i) the date when the Covenantors and any of their close associates, cease to hold, or otherwise be interested in, beneficially in aggregate whether directly or indirectly, 30% or more (or such other percentage of shareholding as stipulated in the Listing Rules to constitute a Controlling Shareholder) of the issued share capital of the Company; or

(ii) the date on which the Shares cease to be listed on the Hong Kong Stock Exchange (except for temporary suspension of trading of our Shares);

the Covenantor shall not, and shall procure that its/his/her close associates (other than members of the Group) shall not in the PRC and in Hong Kong, directly or indirectly, carry on, engage in, invest in, participate in, attempt to participate in, render any services to, provide any financial support to or otherwise be involved in or interested in, whether alone or jointly with another person and whether directly or indirectly or on behalf of or to assist or act in concert with any other person, the research, development, manufacturing and sales of jewellery products and any other business or investment activities in the PRC and in Hong Kong which are the same as, similar to or in competition or likely to be in competition with the business carried on or contemplated to be carried on by any member of our Group from time to time. Details of the Non-Competition Agreement are set out in the section headed "Relationship with our Controlling Shareholder" in the Prospectus.

Each of the Covenantors has confirmed that they have complied with the non-compete undertakings during the Reporting Period. The independent non-executive Directors have conducted such review for the Reporting Period and also reviewed the relevant undertakings and are satisfied that the Non-Competition Agreement have been fully complied with.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS AND CONFLICT OF INTERESTS

For the year ended December 31, 2025, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Company, other than being a Director of the Company and/or its subsidiaries.

USE OF NET PROCEEDS FROM INITIAL PUBLIC OFFERING

The Company's H Shares were listed on the Hong Kong Stock Exchange on November 29, 2024, raising net proceeds of approximately HK$452.50 million (equivalent to approximately RMB420.70 million). As of December 31, 2025, approximately RMB105.58 million of the net proceeds had been utilized. All remaining unutilized net proceeds (approximately RMB315.12 million) were deposited with certain licensed financial institutions in China.

The amount of proceeds actually used by the Company during the Reporting Period, the unutilized net proceeds as of the end of the Reporting Period and the expected timeline for utilizing the remaining unutilized net proceeds are as follows:

	Percentage of net proceeds intended to be distributed according to Prospectus (%)	Net proceeds intended to be distributed according to the Prospectus (RMB million)	Actual net proceeds received and proportional proceeds intended to be distributed (Note) (RMB million)	Proceeds utilized during the Reporting Period (RMB million)	Net proceeds unutilized as of the end of the Reporting Period (RMB million)	Expected timeline for utilizing the remaining unutilized net proceeds
Production expansion plan	50.0	232.5	210.4	73.53	136.87	To be fully utilized before the end of 2027
Expansion of sales network						
– Establishment of self-operated stores	31.0	144.1	130.4	11.63	118.77	To be fully utilized before the end of 2027
– Improving scale and operations of self-operated direct service centers	3.0	14.0	12.6	12.6	–	
Sub-total:	34.0	158.1	143.0	24.23	118.77	
Upgrade on information technology	16.0	74.4	67.3	7.82	59.48	To be fully utilized before the end of 2027
Total:	100	465.0	420.7	105.58	315.12	

Note: Calculated based on the exchange rate of RMB0.9298 to HK$1.

Since the Listing, in order to enhance the efficiency of fund utilization, the Company has reduced non essential expenditures while ensuring operational quality and operational stability. After prudent consideration and assessment of the prevailing market environment, the Board has re-planned the timetable of the use of proceeds for 2026, and expects that the utilization period for certain portions of the proceeds will be extended to the end of 2027. To improve the utilization efficiency of the temporarily unutilized proceeds, the Board resolved on December 29, 2025 to temporarily apply an aggregate amount of RMB210 million of idle proceeds to replenish the Company's working capital for one year (the "**Utilization Period**"), comprising RMB70 million for the production facilities upgrading project, RMB90 million for the establishment of the marketing network, and RMB50 million for the upgrading of information technology systems.

During the Utilization Period, the Company expects that the relevant working capital will be used for purchasing gold raw materials. Upon the expiry of the Utilization Period, the Company will promptly and fully return such funds to the respective projects for their intended use. If the Company decides to accelerate the progress of any construction or investment project within the Utilization Period, the Company will return the proceeds to such construction and investment projects at any time as required.

The temporary replenishment of working capital is primarily based on the current market conditions, aimed at maintaining a prudent pace of expansion and optimizing capital allocation. The arrangement will help to ensure the security of the Company's cash flow and enhance the Company's resilience against market risks. Concurrently, it ensures the Company's daily operational funding requirements are met while supporting the stable development of its core business. The temporary replenishment of working capital is in line with the Company's operational needs and strategic arrangements at the present stage. This temporary replenishment of working capital will not compromise the progress of the upgrading projects of production facilities and information technology systems and the expansion of marketing network.

For further details regarding the Company's utilization of certain idle proceeds raised from H Share initial public offering for temporary replenishment of working capital, please refer to the Company's announcement dated December 29, 2025.

LITIGATIONS AND/OR LEGAL PROCEEDINGS

The Company was not involved in any material legal proceeding during the Reporting Period.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group is subject to a number of laws and regulations such as the Company Laws of the People's Republic of China (《中華人民共和國公司法》), the Civil Code of the People's Republic of China (《中華人民共和國民法典》), the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》), as well as the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), the Advertisement Law of the PRC (《中華人民共和國廣告法》) and the Product Quality Law of the PRC (《中華人民共和國產品質量法》), and other laws and regulations.

As far as the Board and Management are aware, the Group has complied with, in all material respects, the relevant laws and regulations which have a significant impact on the business and operation of the Group. For the year ended December 31, 2025, there was no material breach or non-compliance of the applicable laws and regulations by the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding dealing in securities transactions by the Directors of the Company. All existing Directors have confirmed following specific enquiry by the Company that they have complied with the required standard set out in the Model Code throughout the Reporting Period.

DONATIONS

During the Reporting Period, the Company has made charitable contribution of RMB0.9 million (2024: RMB1.3 million).

SHARE SCHEME

On the first extraordinary general meeting of the Company on February 10, 2025 (the "**Adoption Date**"), the Shareholders passed a special resolution to approve the adoption of a share award scheme of the Company (the "**Share Award Scheme**"). Major terms of the Share Award Scheme is set out as below:

(A) Purposes

The purposes of the Share Award Scheme are:

(i) to provide opportunities to own equity interests in the Company so as to attract, incentivize and retain skilled and experienced persons to contribute for the future development and expansion of the Group;

(ii) to improve the Company's incentive mechanism so as to attract, incentivize and retain core employees and service providers who make strong contributions to the Company's ongoing operation, development and long-term growth; and

(iii) to closely align the interests of incentive recipients with the interests of the Shareholders, investors and the Company, so as to enhance the Company's cohesion and promote the maximization of the Company's value.

(B) Duration

The Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further award may be granted, but the scheme rules shall remain in full force and effect in all other respects to the extent necessary to give effect to the vesting of any award made prior thereto. As the Share Award Scheme was adopted on February 10, 2025, subject to the termination of the Share Award Scheme pursuant to the scheme rules, it shall be valid and effective until and including February 9, 2035.

(C) Eligible participants

The eligible participants of the Share Award Scheme include:

(i) employee participants, who shall be full-time employees of the Group, excluding individuals deemed as connected persons by the Hong Kong Stock Exchange, such as Directors of the Group;

(ii) related entity participants, who shall be any person of the fellow subsidiaries or associated companies of the Group (other than members of the Group), excluding companies or individuals deemed as connected persons by the Hong Kong Stock Exchange; and

(iii) service providers and business partners, who shall be the service providers or suppliers who have provided the Group with services which are in the interest of the long-term growth of the Group in the ordinary and usual course of business and on a continuing basis, or business partners such as former shareholders of the Group's acquisition or merger targets, excluding entities or individuals deemed as connected persons by the Hong Kong Stock Exchange.

Those who are not deemed Eligible Participants under the scheme plan rules shall be excluded.

(D) Scheme mandate limit and grant of awards

The maximum number of award Shares that can be awarded under the Share Award Scheme must not exceed 10% of the number of total Shares in issue as of the Adoption Date (i.e. 27,302,346 Shares, the "**Scheme Mandate Limit**"). Awards lapsed in accordance with the terms thereof not be counted for the purposes of calculating the scheme mandate limit.

Subject to the limit on granting awards to individual participants under Chapter 17 of the Listing Rules, the Company shall issue the grant letter to each grantee, in such form as the Board and/or its authorised person may from time to time determine, specifying the applicable terms of grant, including but not limited to the grant date, methods of accepting the grant of awards, the number of award Shares.

(E) Limitations

The Share Award Scheme is designated as a "Non-connected Person Share Award Scheme" and no awards shall be granted to connected persons of the Company. At the same time, the plan rules impose several restrictions on matters such as the timing of grants.

(F) Source of awards and fund

To satisfy the grant of awards, the Board and/or its authorised person shall, so far as reasonably practicable, wire transfer the required fund to the trustee (or instruct the Trustee to use the cash income of the trust), and instruct the trustee to purchase H Shares through on-market or off-market transactions.

The Board and/or its authorised person shall also instruct the trustee on whether to use any returned Shares to satisfy the grant of awards. The Board and/or its authorised person may set out any conditions or terms in the instructions given to the trustee for the purchase of H Shares, including but not limited to the specific purchase price or price range, the maximum amount of purchase fund and/or the maximum number of H Shares to be purchased. The source of fund for purchasing the award Shares shall be the Group's internal funds or the cash income of the trust.

(G) Vesting of awards

The vesting of awards shall be subject to the Company's performance targets (as determined by the Board and/or its authorised person from time to time with reference to the Company's business performance and financial conditions and the then market conditions) and other vesting conditions set forth in the relevant grant letter.

The vesting period shall be determined by the Board and/or its authorised person and set forth in the grant letter. Each vesting period shall be not less than twelve (12) months, unless the Board and/or its authorised person determine otherwise in their sole discretion.

For the purposes of vesting of awards, the Board and/or its authorised person may instruct and procure the trustee to (i) release the award Shares from the trust to the grantee; or (ii) sell the award Shares vested to the grantee through on-market or off-market transactions and pay to the grantee the actual sale price (after deduction of all applicable expenses) in cash.

(H) Lapse of awards

If any grantee fails to fulfil the vesting conditions, the relevant award Shares shall be immediately forfeited and become the returned Shares held by the trustee. The decisions of the Board and/or its authorised person on whether the vesting conditions are fulfilled shall be irrevocable and final.

(I) Appointment of trustee

The Company has entered into a trust deed under the Share Award Scheme, whereby the professional trustee was appointed. The trustee shall be given any guidance, instruction or advice for the purpose of satisfying the grant of awards. To the best knowledge, information and belief of the Board after making all reasonable enquiries, the trustee and its ultimate beneficial owners are Independent Third Parties and not connected with the Company or any of its connected persons.

The maximum number of Shares in respect of which award Shares may be granted pursuant to the Share Award Scheme is 27,302,346, being 10% of the issued share capital of the Company as of the Adoption Date. As of December 31, 2025, being the end of the Reporting Period, and the date of this annual report, no award Shares were granted under the Share Award Scheme, leaving behind 27,302,346 awarded Shares being available for grant under the Scheme Mandate Limit, representing approximately 10% of the total number of Shares in issue of the Company as of the date of this annual report.

Except for the above disclosures, the Board approved and adopted the Employee Share Ownership Scheme in March 2016. The Employee Share Ownership Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Employee Share Ownership Scheme does not involve the grant of new Shares or awards by the Company after the Listing.

AUDITORS

There has been no change in auditors since the Listing Date. The consolidated financial statements for the Reporting Period have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants.

Deloitte Touche Tohmatsu, Certified Public Accountants, has been appointed as the auditor for the consolidated financial statements prepared in accordance with Hong Kong Auditing Standards for the year ended December 31, 2025. The consolidated financial statements prepared in accordance with Hong Kong Auditing Standards in this annual report have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants, which has issued a standard unqualified audit report.

Deloitte Touche Tohmatsu will retire at the forthcoming annual general meeting and, being eligible, will stand for re-election.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORT DESCRIPTION

Scope of the Report:

This report covers MOKINGRAN JEWELLERY GROUP CO., LTD. (hereinafter referred to as "**Company**", "**the Company**") and our subsidiaries (collectively, the Company and our subsidiaries are referred to as the "**Group**", "**our Group**" or "**MoKingRan**").

Reporting Period

This report is an annual report covering the period from January 1, 2025 to December 31, 2025 (the "**Reporting Period**"). Some content may exceed the time frame due to the needs of elaboration.

Basis for Compilation

This report complies with all the mandatory disclosure requirements and the "comply or explain" provisions of Appendix C2 Environmental, Social and Governance Reporting Code ("**ESG Reporting Code**") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), and also refers to the relevant requirements of the Sustainability Reporting Standards (GRI Sustainability Reporting Standards) issued by the Global Reporting Initiative.

ESG Reporting Principles

Materiality: This report adheres to the materiality principles stipulated by the Hong Kong Stock Exchange, disclosing in the report the discussions of ESG matters by the Board of Directors and the ESG working group, the communication with stakeholders, the process of identifying material issues, and the materiality matrix.

Quantification: The statistical criteria, methods, assumptions, and/or calculation tools for the quantification of key performance indicators in this report, as well as the sources of conversion factors, are explained in the report's "Definitions" section.

Balance: This report objectively describes the ESG performance of our Group during the Reporting Period, avoiding any descriptions or presentation formats that may inappropriately influence the decisions or judgments of the report's readers.

Consistency: The statistical methods used to disclose the data in this report remain consistent. Except as otherwise disclosed within this report, to ensure comparability with previous reports, the preparation of this report is consistent with that of previous years.

Data Description: The monetary amounts mentioned in this report are measured in RMB, unless otherwise specified.

Publication Format: This report is published in the form of an online edition, with the text in both Traditional Chinese and English. The online edition is available on the website of The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") at (www.hkexnews.hk) and the website of MoKingRan (http://www.mokingran.com/) for reference.

EXECUTIVE SPEECH

At this critical juncture of transformation and upgrading in China's gold and jewellery industry, MoKingRan, as an inheritor of intangible cultural heritage crafts and a pioneer in the high purity refined gold jewellery industry, has always adhered to the core values of "customer orientation, striving as the foundation, collaborative responsibility, and innovative pursuit of truth". With a forward-looking vision, it leads the industry's high-quality development and deeply integrates the concept of sustainable development into the entire lifecycle of the enterprise's operations, continuously deepening the Group's practices in environmental, social, and governance (ESG) areas.

During the Reporting Period, our Group achieved operating revenue of RMB20.7 billion. Among which, overseas revenue grew from RMB140.3 million in 2024 to RMB340.3 million in 2025, a year-on-year increase of 142.6%. Based on steady development of the main business, we strictly adhere to the bottom line of business ethics, building an integrity-driven and compliant governance ecosystem. We implement a green development strategy, actively respond to the challenges of climate change, practice the concept of shared progress between individuals and the venture, cooperate for mutual benefit, continuously optimize our products and services, promote the collaborative development of the industrial chain, and lay a solid foundation for the long-term sustainable development goals of the Group.

Strategic Guidance, Deepening ESG Governance

The Group continues to enhance its ESG governance framework, embedding the concept of sustainable development deeply into strategic planning and day-to-day operational management. We incorporate key issues such as employee health and safety, environmental protection, and climate-related risks and opportunities into our comprehensive risk management system, thereby strengthening sustainable development capabilities across the full value chain – from gold refining to end-customer retail. At the same time, we are gradually establishing a regulated, efficient and closed-loop ESG management mechanism to drive the group's long-term and steady development to a higher standard.

Environment First, Fulfilling Green Commitment

The Group upholds the principle of sustainable development, strictly adhering to environmental compliance requirements and proactively implementing emission-management measures to reduce resource consumption, respond to climate change, and promote green operations and management. We advance the upgrading of energy-efficient equipment and environmentally friendly processes, and develop a circular system for packaging materials, thereby building a low-carbon ecosystem across the entire industry chain.

The Group has established a comprehensive environmental management system covering pollution prevention, the management of the "three wastes", the operation of environmental protection facilities, environmental impact assessments for construction projects, emergency response, and the disclosure of environmental information. By strictly complying with emission standards, promoting cleaner production, strengthening the maintenance and monitoring of environmental protection facilities, and implementing environmental impact assessments alongside the "three simultaneities" requirements, we ensure that pollutant emissions remain stable and compliant, environmental risks are well managed, and the standard of green operations is continuously enhanced.

Craftsmanship Concentrated, Forging Exquisite Quality

The Group remains committed to its corporate mission of "driving the development of the gold and jewellery industry through technological innovation and creating beauty for all". We place product quality at the core of our operations and have established an end-to-end quality control system to safeguard customer rights and interests. We continue to advance key technologies such as solder-free welding and spring-lock fabrication and hosted the "Highlight Moment" new product launch event in September 2025, showcasing upgraded craftsmanship and the application of core technologies including micro- and nano-scale channel faceting. The Group further strengthens its research and development framework and technological advancement, deepens the integration of digital technologies with gold-related operations, and actively promotes intelligent upgrades. These efforts support the industry's progression towards greater specialisation and contribute to the high-quality development of the gold and jewellery sector.

Talent-oriented, Building a Community of Development

The Group remains committed to a people-centred governance philosophy, recognising talent as the core resource for achieving high-quality corporate development. We place great importance on protecting employees' rights and interests, as well as supporting their physical and mental wellbeing. Focusing on employees' capability building and long-term development needs, we continue to implement systematic talent-development programmes in areas such as the inheritance of intangible cultural heritage craftsmanship and cultural creativity, digital talent cultivation, and the enhancement of marketing capabilities. Through these initiatives, we aim to foster a healthy development ecosystem that enables mutual growth and progress between the Company and its employees, thereby promoting shared advancement and value co-creation.

Compliance as the Foundation, Safeguarding Business Operations

The Group consistently upholds its corporate ethos of "diligence, pragmatism, rigour and efficiency". Through the ongoing enhancement of our compliance governance framework and risk-control mechanisms, we have established clear and effective channels for supervision and whistleblowing, as well as a comprehensive integrity-education and training system that covers all employees and business processes. These measures collectively strengthen our defence line for compliant operations. In terms of business ethics, we strictly adhere to the principles of fairness and transparency, promoting open and accountable operations across the supply chain. By adopting competitive and transparent procurement mechanisms, we ensure fairness at every stage and inject sustained momentum into building a healthy and orderly industry ecosystem.

Looking ahead, MoKingRan will continue to refine its long-term ESG governance mechanisms, deepen the protection of intangible cultural heritage craftsmanship, and accelerate the application of 5G+ and industrial internet technologies, thereby further enhancing sustainable development capabilities across the entire value chain. Together with our upstream and downstream partners, we aim to build an industry ecosystem defined by shared responsibility and shared value. With craftsmanship rooted in gold, we pay tribute to the spirit of our times, and through green innovation, we demonstrate the responsibility and commitment of leading Chinese brands.

COMPANY PROFILE

MOKINGRAN JEWELLERY GROUP CO., LTD. (stock code: 02585.HK) was listed on the Main Board of the Hong Kong Stock Exchange in November 2024. Since our establishment in 1994, it has consistently flourished through 31 years of ups and downs.

We are an original brand manufacturer (OBM) from China specializing in the markets for gold and jewellery, and a full industry-chain Company that covers design and development, material purification and testing, processing and manufacturing, and a diverse sales network. Our gold processing capabilities are particularly outstanding, having consecutively won the title of "Top Ten Enterprises in Gold Jewellery Processing Volume" for 13 years.

With brand franchising and direct retailing as the main sales models, MoKingRan has now established an online and offline business network that basically covers the whole country. Up to now, the Company has 2,493 franchise stores, 28 self-operated direct stores. It has been consecutively named one of the "Top Ten Enterprises in Gold Jewellery Sales Revenue" for ten years.

The products are mainly high-purity gold jewellery, with a sideline in K-gold accessories, inlaid accessories, and jewellery components. Adhering to the four core product development principles of "light", "ingenious", "exquisite" and "beautiful", we provide our customers with a comprehensive range of gold jewellery that reflects the latest fashion trends.

The Company adheres to a development strategy driven by technological innovation, advancing high-quality growth. Its independently developed "solder-free welding technology" successfully fills a domestic gap within the gold jewellery industry and has been included by the Ministry of Science and Technology in the "National Torch Programme". Based on a "laser–electron beam" process, the technology addresses long-standing industry challenges such as discolouration of welding joints, insufficient gold purity, and potential allergenic risks. It closes the technological gap in the application of laser and electron-beam welding for gold jewellery and has been recognised as a "green product".

It was the first to develop and lead the industry with a cyanide-free hard gold (with a gold content of 999.9%) process, solving the key common issue of using cyanide to produce hard gold in the industry, and became the first Company in the country to be recognized as a "cyanide-free product", setting a benchmark for green transformation in the industry.

The Company has overcome the technology for 18K gold spring clasps, breaking the foreign monopoly for more than a decade, reversing the situation of relying on imported spring clasp components, and solving the "bottleneck" problem in the jewellery industry. The Preparation Technology for the "Precision Components" Spring Clasps of Precious Metal Jewellery won the First Prize for Science and Technology from the China Gold Association, and the First Prize for Science and Technology from the Gems & Jewellery Trade Association of China. In 2025, the technology was further awarded the First Prize in the Shandong High-end Equipment New Industrialisation Innovation and Creativity Competition, jointly granted by the Shandong Association of Equipment Manufacturing and two other departments.

By the end of 2025, the Company owns 582 patents, including 47 invention patents, 101 utility model patents, 434 design patents, 7,183 copyrights, 706 trademarks, and has hosted or participated in the drafting of 20 national standards and 16 industry standards, playing a key role in improving the gold jewellery industry's technical framework and advancing industry standards.

THE HISTORY OF ENTERPRISE DEVELOPMENT

- In 2000 MoKingRan was officially established.
- In 2004 the trademark "MoKingRan" was officially registered.
- In 2006 the MoKingRan Jinan Operation Center was established and began to expand its strategic presence nationwide.
- In 2008 MoKingRan developed a patented solderless welding technique, which increased the purity of gold jewellery to 999.9% and launched the products for sale.
- In 2010 "MoKingRan" was recognized as a "Well-known Trademark in China" by the Trademark Office of the State Administration for Industry and Commerce.
- In 2011 the "Solderless Welding Patent Technology" developed by the Company was awarded the "13th China Patent Excellence Award" by the National Intellectual Property Administration and was also included in the Torch Program by the Ministry of Science and Technology of China.

- In 2012 MoKingRan became the official partner of CCTV's "Avenue of Stars".

  Selected as one of the "Top Ten Chinese Gold Jewellery Manufacturing Enterprises" and has held the title consecutively since then.

- In 2013 the gold jewellery making technique of MoKingRan was awarded as a "Shandong Provincial Intangible Cultural Heritage".

- In 2014 MoKingRan established the headquarters in Tianjin.

- In 2015 MoKingRan was the special sponsor of the broadcast of the "CCTV Spring Festival Gala" and the "CCTV Lantern Festival Gala".

  Selected as one of the "Top Ten Chinese Gold and Jewellery Sales Revenue Enterprises" and has maintained the position consecutively since then.

- In 2016 Successfully created and challenged two Guinness World Records.

- In 2017 the hope primary school in Huize County, Yunnan, which was funded with a donation of RMB3 million by MoKingRan, was completed and began operations.

- In 2018 Chairman Wang Zhongshan became the inheritor of the "Gold and Silver Filigree Craftsmanship (MoKingRan Gold Jewellery Making Craftsmanship)" in Shandong Province.

- In 2019 the Shenzhen Shuibei Yinzuo MoKingRan Operation Center was officially opened.

  Top Ten Retail Brands of Chinese Hard Pure Gold Jewellery and Top Ten Key Manufacturing Enterprises of Chinese Hard Pure Gold Jewellery.

- In 2020 Vice President Member of Gems & Jewellery Trade Association of China.

- In 2021 Vice President Member of the China Gold Association. Jiang Shuying was signed as the brand ambassador.

- In 2022 signed a cooperation agreement with the San Kong Cultural Tourism IP. Awarded as the Champion Enterprise in a Single Manufacturing Sector in Shandong Province.

- In 2023 the MoKingRan Gold and Jewellery Intelligent Manufacturing Center was officially launched.

  The spring clasp technology for gold jewellery products has been awarded the Science and Technology Award by the Gems & Jewellery Trade Association of China.

- In 2024 MOKINGRAN JEWELLERY GROUP CO., LTD. successfully listed on the Main Board of the Hong Kong Stock Exchange.

- In 2025 Ranked among the Top 500 Chinese Brands.

  Hosted the "Bright Moments" product launch event, with the products making their debut at Paris Fashion Week.

CORPORATE HONORS

Time	Honorific Title	Awarding Body
May 2025	Brand Identity of "Good Products of Shandong"	Office of the Leading Group for Coordinated Promotion of Shandong Province's Quality-Strengthening Initiative
Aug 2025	Top 500 Chinese Brands	Brand Alliance
Sep 2025	Top 500 Asian Brands 2025	WORLD BRAND LAB
Sep 2025	Top 200 Private Enterprises in Shandong Province 2025	Shandong Federation of Industry and Commerce and nine other government departments
Sep 2025	Top 100 Private Service Enterprises in Shandong Province 2025	Shandong Federation of Industry and Commerce and nine other government departments
Nov 2025	2025 Qilu Master of Skills "Specialised Workstation" Project Unit	Shandong Provincial Department of Human Resources and Social Security
Dec 2025	First Prize in the Innovation and Creativity Competition for the Preparation Technology for the "Precision Components" Spring Clasps of Precious Metal Jewellery	Shandong Association of Equipment Manufacturing, the Organising Committee of the Shandong High-end Equipment New Industrialisation Innovation and Creativity Competition, and the Shandong Defence Machinery and Electronics Trade Union
Dec 2025	Sixth Batch of Shandong Province Manufacturing "Gold Jewellery" Single-item Champion	Shandong Provincial Department of Industry and Information Technology

ESG GOVERNANCE

Board ESG Statement

MoKingRan places high importance on environmental, social, and governance (hereinafter referred to as "**ESG**") related work, continuously improving our ESG management system. We integrate the ESG philosophy into the Company's significant decision-making and daily operations. By establishing a sound ESG risk management and internal monitoring mechanism, the Group continuously enhances our supervision and management capabilities over ESG affairs to ensure the effective advancement of related work.

The Board of Directors of our Group has the highest decision-making power over ESG-related matters and assumes full responsibility for the Group's ESG strategies, reporting, and oversight. The Board monitors ESG-related issues that may affect the Group's business or operations, as well as the interests of shareholders and other stakeholders, ensuring alignment with the Group's overall business strategy. It regularly reviews risk assessment reports submitted by the management, focusing on material ESG issues, risks, and opportunities, and urging the management to carry out effective risk management measures as approved by the Board.

At the same time, the Board of Directors attaches great importance to the determination of material ESG issues, optimizes the communication methods with stakeholders, and, in conjunction with the external economic environment, macro policies, and the group's development strategy, carries out the identification and assessment of material ESG issues, clarifies the focus of ESG governance, and comprehensively improves the Company's governance level and sustainable development capabilities.

The Board of Directors holds at least one meeting every year on important ESG matters and may convene interim meetings if necessary. During the Reporting Period, the Board of Directors has reviewed the performance of the Group's ESG-related environmental goals to reduce the environmental impact of the Group's business operations and fulfil ESG responsibilities.

This report thoroughly discloses the progress of the ESG initiatives of MOKINGRAN JEWELLERY GROUP CO., LTD. for the year 2025, which has been reviewed and approved by the Board of Directors.

ESG Governance Structure

MoKingRan regards ESG as a key driving force for promoting the Company's sustainable and high-quality development. We continue to enhance our ESG governance structure and establish a well-coordinated, top-to-bottom working mechanism to systematically advance various ESG management initiatives. At the same time, the Company places strong emphasis on board diversity. Our Board members possess experience and professional expertise in management, law, finance, stakeholder engagement and other ESG-related fields, providing a solid governance foundation for the Company's sustainable development.

The Company will also continue to strengthen the ESG training system for Directors, senior management and all employees, enhancing their understanding and awareness of ESG issues, and ensuring the thorough integration of ESG principles across the organisation.

The ESG governance structure of MoKingRan is shown in the following diagram:

Level	Composition of Personnel	Scope of responsibilities
Governance level	Composed of the Board of Directors and the Strategic and Sustainability Committee	The Board of Directors is the highest responsible and decision-making body for ESG matters (such as climate change, health and safety, community development, etc.), and the main responsibilities include: • Responsible for formulating, adopting, and reviewing the strategies and policies of our Group related to ESG issues. • Be responsible for identifying, assessing, and managing risks and opportunities related to ESG and climate-related, and ensuring the establishment of appropriate and effective ESG risk management and internal control systems. • Establish ESG key performance indicators, assign relevant targets, review the performance of ESG-related targets annually, and revise the ESG and climate-related strategy if applicable.
Management level	Composed of senior management	• Implement ESG and climate-related decisions to ensure that operations and business practices are aligned with the relevant ESG strategies. • Take the lead in implementing the ESG goals of the Group, regularly review the progress of the goals, and propose adjustments accordingly. • Regularly report to the governance level, guiding and supervising the ESG work of the execution level.
Execution level	A working group composed of various ESG-related departments.	• Implement ESG work requirements and carry out ESG related decisions. • Carry out ESG data statistics and analysis. • Assist in compiling the annual sustainability report, providing ESG-related qualitative and quantitative information.

Stakeholder Communication

MoKingRan places great importance on maintaining ongoing communication with its stakeholders and regards the timely response to their legitimate concerns as an essential component of strengthening the Company's ESG management system. Through a multi-level and multi-channel communication mechanism, the Company maintains regular interaction with key stakeholder groups—including shareholders, governments and local communities, customers, business partners and employees. This enables us to comprehensively gather opinions and suggestions, gain an in-depth understanding of core concerns and expectations, safeguard the rights and interests of all parties, fulfil our corporate social responsibilities, and promote the coordinated and sustainable development of both the Company and society.

The Group conducts a comprehensive review of the priorities and concerns of different stakeholder groups across multiple dimensions, as well as their impact on the Group's operations and sustainable development. This process enables us to identify the Group's key focus areas within the ESG domains.

Based on the findings of this assessment, we have compiled a record of stakeholder communication and feedback, which serves as a key reference for the identification of material topics and subsequent materiality assessment.

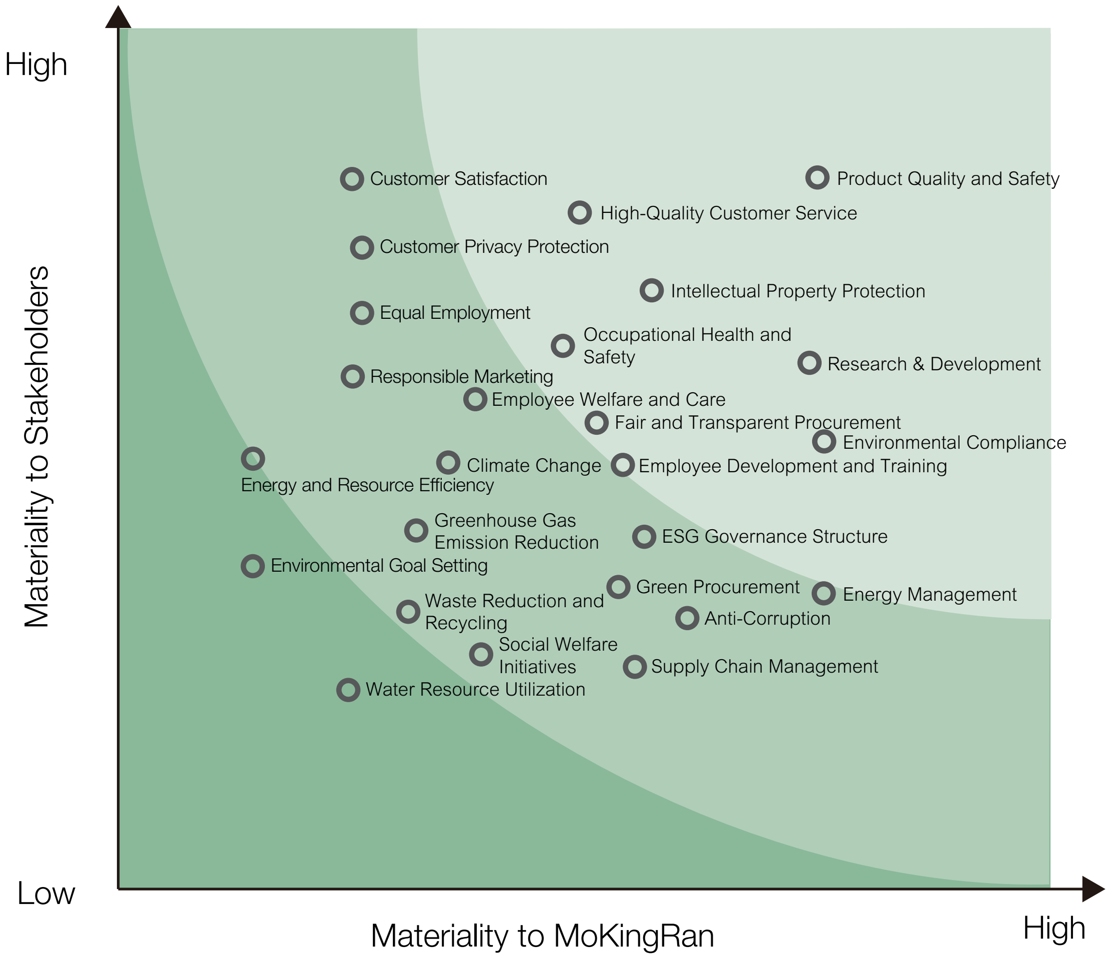
Stakeholders	Focus Issues	Communication Channels and Response Measures
Shareholders	— Continuously creating value and returns — Corporate Governance and Risk Management — Exercising the right to know and the right to participate in decision-making — Concept of responsibility — Accountability Governance Framework — The Board of Directors announces the involvement in responsibility management	— Regular reporting and information disclosure — Shareholders' meeting — Performance press conference — Performance roadshow — Securities firm strategy meeting — Investor daily communication
Government/ Community	— Abide by laws and regulations — Paying taxes according to the law — Support economic development — Intellectual property protection — Anti-corruption — Volunteer activities — Community development	— Information disclosure — Daily communication — Information Bulletin — Government review — Public welfare and charity activities
Customer	— Information security protection — Customer privacy protection — Customer satisfaction — Product Quality Assurance — Intellectual property protection — Service and Feedback Response Assurance — Protection of customer rights and interests — Reasonable advertisement	— Daily service communication — Customer satisfaction survey — Portals, WeChat public accounts, etc. — Customer service hotline

Stakeholders	Focus Issues	Communication Channels and Response Measures
Partner	— Grow together — Abide by business ethics — Fair and just procurement — Supply chain risk management — Green procurement	— Procurement policy — Carry out project cooperation — Daily business communication — Supplier evaluation
Employees	— Equal employment — Compliant employment — Protection of employee rights and interests — Occupational safety and health — Promoting career development and skill enhancement — Work-life balance — Employee satisfaction	— Employment policy — Regular meetings — Internal communication — Employee training
Environment	— Save energy consumption — Reducing emissions — Protection of the ecological environment and natural resources — Addressing climate change	— Green office — Green procurement — Environmental information disclosure — Carry out environmental protection publicity activities

Identification of Material Issues

According to the ESG Reporting Code and international standards, MoKingRan has made joint judgments of relevant ESG issues based on the actual situation by the heads of relevant departments of the Group and external experts to ensure more accurate and comprehensive disclosure of ESG information. The Group, from the two analytical dimensions of "materiality to stakeholders" and "materiality to MoKingRan", has screened and sorted the material issues matrix for MoKingRan based on the importance scores of various stakeholders, which serves as the focus of the Group's ESG work and reporting, and as an important reference for the next year's ESG planning.

In 2025, the results of materiality assessment of ESG issues for our Group are as follows:



1. SOUND GOVERNANCE, CASTING EXCELLENCE

Conceptual Principles	
Customer first	Always prioritize customer needs and win their trust and loyalty by offering quality products and services.
Innovation-driven	Fostering innovative thinking and practice, constantly driving the upgrade of technology, products, and services to maintain the venture's competitiveness and market leadership.
Team collaboration	Emphasizing the importance of teamwork, advocating an open, inclusive, and collaborative work environment, facing challenges together, and sharing success.
Operating with integrity	Adhering to the business principle of integrity, ensuring the legality and compliance of corporate actions, and establishing a good corporate image and social reputation.
Continuous improvement	Pursuing continuous improvement and optimization in management, enhancing the overall operational efficiency and management level of the Company through continuous learning, reflection, and practice.

1.1 Risk Management

To ensure compliant operations and steady growth on the path towards sustainable development, MoKingRan consistently adheres to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Basic Standards for Enterprise Internal Control, and other relevant laws and regulations. In alignment with the Articles of Association, the Company has formulated and continuously refined its General Rules for Internal Control, establishing a comprehensive risk-management system that covers all business processes.

By strengthening the construction of internal control mechanisms and fostering a culture of compliance, the Company ensures that risk-management responsibilities are embedded into the daily duties of every employee, forming a top-down governance model with full participation across the organisation. At the same time, the Company has put in place a management mechanism that balances incentives with constraints, providing strong institutional support for employees to fulfil their responsibilities in risk management and internal control. These efforts contribute to a governance structure that is transparent, standardised and efficient, laying a solid foundation for the Company's long-term value creation.

The Board of Directors of the Company strictly follows the requirements of internal control standards, continuously establishing, improving and effectively implementing various internal control systems. It conducts regular evaluations of the effectiveness of the internal control framework and discloses internal control assessment reports in a truthful and comprehensive manner. The Board has established an Audit Committee, which is responsible for coordinating communications, oversight and verification relating to both internal and external audits, and reporting the relevant findings to the Board in a timely manner.

The management team is responsible for organising and promoting the day-to-day operation of internal controls, ensuring the continuous effectiveness of key control activities. As an independent execution body, the audit department—under the guidance and supervision of the Audit Committee—conducts internal control assessments, focusing on high-risk business processes and key management areas. The assessment results are reported directly to the Audit Committee, thereby establishing a transparent, standardised and traceable governance and supervision process.

In practical risk management, the Company incorporates occupational health, environmental protection and other safety-related factors into its internal risk-control framework. It places great emphasis on fulfilling its social responsibilities by integrating these responsibilities into all aspects of its production and operations. This includes workplace safety, product quality, environmental protection, resource conservation, employment promotion, protection of employee rights, and social contributions. Through these efforts, the Company strives to ensure alignment between economic and social benefits, short-term and long-term interests, and its own development and that of society—ultimately achieving harmonious development between the Company, its employees, society and the environment.

1.2 Business Ethics

MoKingRan consistently upholds business ethics and adopts a zero-tolerance approach towards all forms of bribery and corruption. The Company places great importance on integrity management and integrates ethical conduct and honesty into its daily operations. By improving its audit and supervision systems, establishing an open and transparent whistle-blowing and complaint mechanism, and building a comprehensive oversight framework in which all reports are centrally received and recorded by the Audit Committee, the Company ensures the independence and compliance of investigations. The mechanism covers employees as well as external parties, supports real-name reporting, and maintains strict confidentiality. Through standardised procedures, investigations, reviews and accountability measures, as well as dedicated integrity-training programmes, the Company strengthens internal supervision and continuously enhances its standards of corporate governance and business ethics. These measures strictly prevent fraudulent activities including commercial bribery, embezzlement, money laundering, fraud and non-compliant transactions, ensuring the effective implementation of a corporate culture rooted in integrity and compliance.

Policy and Institutional Framework

MoKingRan adheres to lawful and compliant operations and regards sound governance as the core foundation of sustainable development. The Company strictly complies with relevant laws and regulations, including the Company Law of the People's Republic of China, the Audit Law of the People's Republic of China, the Supervision Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, and the Anti-Bribery Ordinance. It has formulated and strictly implemented internal policies such as the Anti-Corruption Policy and the Anti-Money Laundering, Counter-Terrorist Financing and Anti-Tax Evasion Management System, establishing a business ethics management framework that covers all personnel of the Group, including directors, senior management and employees at all levels, as well as agents, consultants and contractors of the Group. By strengthening its culture of integrity and compliance, the Company ensures transparent and standardised operations, continuously enhances governance effectiveness, supports long-term healthy development, and ensures lawful and compliant operations.

Supervision and Management

The Company continues to strengthen the development of its internal supervision system. The Audit Committee oversees and reviews the effectiveness of relevant policies and provides rectification recommendations based on investigation results. The audit department conducts business ethics audits through a combination of internal inspections and independent third-party audits, focusing on the completeness, implementation effectiveness and robustness of core systems such as anti-money laundering and anti-corruption, while also assessing the fulfilment of responsibilities by the compliance department and related positions.

For integrity risks identified during audits, the Company follows standardised procedures to specify rectification responsibilities, formulate and track corrective measures, and ensure issues are resolved through regular follow-up reviews. For confirmed violations of laws or regulations, the Company will take actions, including termination of employment or business relationships, in accordance with applicable rules and will refer cases to regulatory authorities when necessary.

Before entering into any external business cooperation, the Company conducts appropriate due diligence to understand the counterparty's ultimate beneficial owners, financial standing, source of funds, business reputation, and any criminal records. All review processes are fully documented, including investigation steps, findings and the basis for cooperation decisions, with corresponding records kept for transactions and payments. For counterparties associated with jurisdictions that pose money laundering or terrorist-financing risks, the Company adopts a prudent, reasonable and risk-based management approach to ensure that business dealings remain lawful, transparent and controllable.

During the Reporting Period, MoKingRan recorded no incidents of commercial bribery, corruption, extortion, fraud or money laundering.

Whistleblowing Channels

The Company is committed to upholding the highest standards of transparency, integrity and accountability, and encourages employees and all parties who have business dealings with the Company to "speak up" and report any suspected misconduct, violations or malpractice. To support this, the Company has established a Whistleblowing Policy, making it an important part of the risk-management and internal-control system. The policy enables whistleblowers to report identified misconduct or potential fraud risks through formal channels, helping the Company identify and address issues in a timely manner.

The Audit Committee serves as the supervisory body for whistleblowing matters, and continuously improves the procedures such as receiving reports, initiating investigations, collecting evidence and handling violations. The Company provides multiple reporting channels, including suggestion boxes, email, telephone and written submissions, and strictly protects the identity and information of whistleblowers to ensure they do not face any form of threat, retaliation or unfair treatment as a result of good-faith reporting. Even if a report made in good faith is not ultimately substantiated, the Company will ensure that the whistleblower is not subject to unfair dismissal, improper disciplinary action or any other adverse impact.

Integrity Training

The Company has established an integrity and compliance training system that covers all employees. New employees receive anti-corruption and basic compliance education upon joining. In daily operations, the Company continues to strengthen employees' compliance awareness through regular thematic training and email reminders. Each business department also provides customised anti-corruption training based on job functions to ensure employees clearly understand and follow the Company's integrity requirements.

In terms of external collaboration, the Company clearly communicates its anti-corruption policy to partners at the start of any business relationship and reiterates these requirements when necessary throughout the cooperation. In the area of anti-money-laundering (AML), the Company has established a regular training mechanism: management personnel and key positions receive dedicated AML training in batches each year, including case-based analysis of money-laundering risks and response strategies, with tailored guidance provided according to departmental responsibilities. In addition, relevant staff members are assigned to participate in professional training organised by the People's Bank of China and other institutions to continuously enhance their ability to identify and monitor suspicious transactions.

Indicator Name	Unit	The Fiscal Year 2025	The Fiscal Year 2024
Number of anti-corruption and integrity training sessions conducted for employees	Times	9	7
The number of anti-corruption and integrity education campaigns conducted for the Board of Directors	Times	1	1
The number of persons covered by anti-corruption and integrity training	Person-times	1,840	558
Number of corruption cases entering litigation	Cases	0	0

1.3 Product Responsibility

Product Quality

MoKingRan strictly adheres to a series of laws and regulations such as the Trademark Law of the People's Republic of China, Implementing Regulations of the Patent Law of the People's Republic of China, the Patent Law of the People's Republic of China, Implementing Regulations of the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Implementing Regulations of the Copyright Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China, ensuring that the quality of the jewellery products produced meets national regulations and obtained certification for green precious metal jewellery, thereby protecting the legitimate rights and interests of consumers.

Product Quality Management

MoKingRan has always followed the principle of "operating with integrity and putting customers first." The company has built a full-process and all-staff quality control system, ensuring product quality and purity are the Company's top priorities. The Company strictly follows national standards and has developed five internal standards, including "24K Gold Jewellery" and "Noble Metal Jewellery". The company has established a comprehensive quality inspection system covering incoming material inspection, in-process inspection, final product inspection, and pre-shipment sampling, ensuring stable and continuously improved product quality. At the same time, it carries out regular management reviews, closely monitors the implementation of quality systems, and enforces a company-wide quality evaluation mechanism, including mandatory quality certification for key positions before they begin work.

In addition, the Company is committed to building a reliable raw material procurement system to ensure gold quality from the source. It has established stable, high-quality gold procurement channels and set up an internal testing center and key production capability system to ensure the continuous output of high-quality gold jewellery products and maintain consistent quality standards across the value chain.

The Company's testing center, as a core part of the quality system, has obtained several authoritative certifications, including ISO9001, ISO14001, and ISO45001 management system certifications, GB/T 29490-2013 intellectual property management system certification, China Metrology Certification (CMA), and China National Accreditation Service for Conformity Assessment (CNAS) laboratory accreditation. Through strong testing capabilities and professional qualifications, the Company effectively protects consumer rights and ensures that products are safe, reliable, and traceable.


ZMCC/正明认证

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证书编号：ZM034125Q33940R1M

梦金园黄金珠宝集团股份有限公司/昌乐诚信黄金有限公司/
山东梦金园珠宝首饰有限公司/山东亿福金业珠宝首饰有限公司
统一社会信用代码：
91120000742425 85X1/91370725754455001T/91370725760960282B/91370725665707449T
注册地址：滨海高新区华苑产业区梓苑路15号/山东省潍坊市昌乐县宝城街道新城街1063号立伟国际珠宝广场15-24号（经营地址：昌乐县方山路5777号全福元一楼梦金园专柜;昌乐县恒安街331号1号楼198号商铺梦金园）/昌乐县经济技术开发区/昌乐县经济技术开发区宝石城二路1388号
办公地址：山东省潍坊市昌乐县经济技术开发区北三里街1998 号
生产/服务地址：山东省潍坊市昌乐县经济技术开发区北三里街1998 号

质量管理体系符合

GB/T 19001-2016/ISO 9001:2015

认证范围

金银珠宝首饰加工和销售/金银珠宝首饰的销售（昌乐诚信黄金有限公司）

颁证日期：2025年06月25日　有效日期至：2028年06月26日

首次签发日期：2022年06月27日

当认证范围有行政许可要求时，本证书仅在证书持有者的行政许可范围内适用。获证组织必须定期接受监督审核并经审核合格此证书方继续有效，证书的有效性在国家认监委网站 www.cnca.gov.cn 或机构网站 www.sdzmcc.com 中查询，或扫描右下角二维码查询。

第1年度监督贴标处　第2年度监督贴标处

签发人：

发证机构：山东正明认证服务有限公司

机构地址：山东省济南市市中区经四路万达广场A座1906室，邮编：250001


ZMCC/正明认证

认 证 证 书

证书编号：ZM034125E33941R1M

梦金园黄金珠宝集团股份有限公司/昌乐诚信黄金有限公司/
山东梦金园珠宝首饰有限公司/山东亿福金业珠宝首饰有限公司
统一社会信用代码：
91120000742425 85X1/91370725754455001T/91370725760960282B/91370725665707449T
注册地址：滨海高新区华苑产业区梓苑路15号/山东省潍坊市昌乐县宝城街道新城街1063号立伟国际珠宝广场15-24号（经营地址：昌乐县方山路5777号全福元一楼梦金园专柜;昌乐县恒安街331号1号楼198号商铺梦金园）/昌乐县经济技术开发区/昌乐县经济技术开发区宝石城二路1388号
办公地址：山东省潍坊市昌乐县经济技术开发区北三里街1998 号
生产/服务地址：山东省潍坊市昌乐县经济技术开发区北三里街1998 号

环境管理体系符合

GB/T 24001-2016/ISO 14001:2015

认证范围

金银珠宝首饰加工和销售/金银珠宝首饰的销售（昌乐诚信黄金有限公司）
所涉及的环境管理活动

颁证日期：2025年06月25日　有效日期至：2028年06月26日

首次签发日期：2022年06月27日

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第1年度监督贴标处　第2年度监督贴标处

签发人：

发证机构：山东正明认证服务有限公司

机构地址：山东省济南市市中区经四路万达广场A座1906室，邮编：250001

Improvement in Product Quality

The Company has established a comprehensive quality inspection process and standardized management system. It regularly communicates quality requirements to suppliers, provides lists of non-conforming products, and assigns professional staff to conduct on-site QC inspections at supplier facilities to ensure stable and reliable incoming materials. Meanwhile, the company continues to strengthen the professional capabilities of its quality inspection team through means such as production-site workshops and process training to deepen their understanding of workflows and technical requirements. For product exchanges, the company implements a strict inspection process, including removing tags for weighing, machine testing of gemstones, and piece-by-piece inspection. Only products that meet new-factory standards can be retagged and returned to the sales channel. Products that require repair are sent back to the factory for refurbishment and may only be put back on shelves after passing re-inspection.

During the year, the Company continued to optimize production processes and enhance quality control, with a focus on environmental technologies and refined production management. In gold surface treatment, the company adopted a cyanide-free electroforming process based on thiosulfate to replace traditional cyanide methods, reducing environmental risks and improving product safety. By optimizing the electroplating cleaning steps, it reduced surface defects, and through equipment upgrades — such as high-precision projectors and automatic welding machines — it achieved dimensional tolerances of ±0.02 mm for stamped parts and improved the welding pass rate to 98%. In casting colour management, the Company increased the frequency of fluorescence testing, raising the compliance rate of 753 gold from 95% to 99%. Quality inspection procedures were strengthened with enhanced sampling mechanisms, enabling defective products to be traced to specific process owners. The Company also holds a monthly “defect case review meeting” to analyse technical challenges and conduct hands-on improvement training, further improving process stability and overall quality control.

Product Returns and Recycling

The Company consistently places product quality and consumer safety as its top priority. It has established a product quality traceability and recall management mechanism, along with efficient and convenient return and recycling channels. If any product is found to have quality defects or potential safety risks, the Company will immediately initiate the recall process and proactively contact consumers, providing clear guidance and support throughout the entire recall procedure to ensure that problematic products are promptly removed from circulation. During the Reporting Period, the Company experienced no product recall incidents.

Inheriting Intangible Cultural Heritage

As a designated inheritor and protector of traditional gold and silver filigree craftsmanship, MoKingRan is committed to preserving outstanding traditional culture and intangible heritage techniques. The Company continuously carries forward and innovates craftsmanship such as gold and silver filigree, engraving, and filigree inlay, forging a refined development path in which intelligent manufacturing empowers the transmission of intangible cultural heritage.

Case Study: MoKingRan Shines at the "Lotus Cup" — Shandong Arts & Crafts Design Innovation Competition

At the "Lotus Cup" Shandong Arts & Crafts Design Innovation Competition held during the 2025 Shandong Arts & Crafts Expo and the "Shandong Handmade" Boutique Exhibition, eleven of our works — including Auspicious Deer, Prosperity and Fortune, and Highlight Moment — won a total of eleven awards, comprising one Special Prize, five Gold Prizes, and five Silver Prizes. These pieces stood out for their exquisite craftsmanship and rich cultural connotations, leaving a remarkable impression at the event.

The Expo was hosted by the Shandong Provincial Department of Industry and Information Technology and jointly organized by the Shandong Light Industry Collective Enterprise Association, the Shandong Arts & Crafts Association, and the Shandong Arts & Crafts Society. Upon receiving the invitation to participate, the Company attached great importance, made active preparations, and carefully selected featured creations that integrate intangible cultural heritage craftsmanship with MoKingRan jewellery's innovative designs — all of which ultimately received awards.

荣誉证书

王忠善

您创作的 黄金饰品《瑞鹿呈祥》

在2025山东工艺美术博览会暨"山东手造"精品展上荣获"荷花杯"山东省工艺美术设计创新大赛 金 奖。

山东省工艺美术协会　　山东省工艺美术学会

The recognition received at this "Lotus Cup" competition not only affirms MoKingRan's strong capabilities in arts and craftsmanship, but also vividly reflects the Company's ongoing commitment to cultural inheritance and innovation. For more than three decades, MoKingRan has remained rooted in China's outstanding traditional culture, using creativity and innovation as its core driving forces to continuously deepen the integration and synergy between traditional craftsmanship and modern design. Looking ahead, MoKingRan will take this achievement as a new starting point, further enhancing cultural creativity, continuing to explore the richness of regional culture, and striving to create more products that embody both cultural value and market potential. In doing so, the Company aims to inject fresh momentum into cultural innovation ("dual-innovation") and the high-quality development of regional economies.

Quality Service

MoKingRan remains committed to a consumer-centric approach, continuously strengthening its customer care and service management system. The Company places great importance on customer opinions and feedback, has established a comprehensive internal management framework, and has obtained certification under the SB/T 10401 After-sales Service Evaluation System to further enhance the standardization of its after-sales services. By optimizing customer feedback channels and handling procedures, improving communication, refining its complaint-handling mechanisms, and advancing customer satisfaction management, the Company drives continuous improvement in service quality and provides consumers with a more professional, transparent, and trustworthy service experience.

Customer Compliant Handling

The Company has established a comprehensive customer complaint response process, providing consumers with convenient and efficient communication channels. Customers may submit inquiries or complaints through the 400-157-9999 hotline, where service representatives will promptly address their concerns and record details such as the time and location of the incident, product information, and customer requests. This information is then immediately relayed to the responsible department via Enterprise WeChat or the OA system. The customer service team follows up every two working days to track progress, ensure that stores continue communication and problem resolution, and conducts phone callbacks when necessary to confirm customer satisfaction.

The Company implements a tiered management approach for customer complaints. For routine quality-related complaints, the responsible department must develop a solution and respond to the customer within 24 hours. For major complaints that require additional resources or may pose public relations risks, the Company activates an escalation process led by a designated crisis-management team, which formulates emergency action plans and works with customers toward a constructive resolution. By continuously optimizing its complaint-handling mechanisms and service procedures, the Company enhances customer experience, strengthens consumer rights protection, and drives steady improvement in service quality.

Improvement of User Service Satisfaction

To meet consumers' growing demand for personalized and high-quality gold jewellery, the Company actively applies digital tools to provide customized and individualized jewellery selection experiences. Through advanced design software, consumers can participate in the customization process based on their personal preferences, increasing engagement in decision-making and significantly enhancing product satisfaction.

In market research and design development, the Company's design team regularly visits both self-operated and franchise stores for on-site studies and face-to-face communication with consumers to understand their needs and preferences. At the same time, the team continuously monitors global gold jewellery trends and incorporates user feedback to refine product design directions and production techniques. Through data-driven design innovation, the Company further improves product relevance and consumer experience, achieving closer alignment between product development and market demand.

Customer customized response	A "VIP Special Task Force" has been established to provide expedited services within 48 hours for the needs of high-net-worth customers, such as special engraving and non-standard settings.
Transparent communication	By using the ERP system information, we can push the order progress to customers in real time (such as "the order has entered the mold execution stage"), along with the process quality inspection report.
Satisfaction survey	Customer questionnaires are distributed every quarter to collect feedback on product technology and delivery timing, with a requirement that the rectification rate must reach over 90%.

We ensure that all complaints are effectively resolved. During the Reporting Period, the performance data of MoKingRan customer service is as follows:

Indicator Name	Unit	The Fiscal Year 2025	The Fiscal Year 2024
Number of product complaints	/	120	95

Intellectual Property and Brand Protection

MoKingRan regards intellectual property (IP) as a key component of its core competitiveness. The Company strictly complies with laws and regulations such as the Trademark Law of the People's Republic of China, the Advertising Law of the People's Republic of China, the Patent Law of the People's Republic of China, and the Copyright Law of the People's Republic of China, and has established internal systems including the "Intellectual Property Protection Management System" and the "Intellectual Property Risk Prevention and Control System". These define the scope of IP protection, management measures, and departmental responsibilities. The Company has obtained certification for the GB/T 29490-2013 Enterprise Intellectual Property Management System, forming a comprehensive management framework that covers dimensions such as trademark registration and maintenance, copyright confirmation and registration, and the protection of patents and copyrights. At the same time, it has strengthened its risk-prevention mechanisms and conducts regular training to enhance overall IP compliance management, providing strong safeguards for innovation outcomes.

MoKingRan has always placed independent technological innovation and the development of a robust quality assurance system at the center of its operations, actively driving industry innovation and progress. The Company has established a jewellery machinery technology research and development center, a gold testing and inspection center, and a jewellery design research and development center. These centers form an integrated design, production, and inspection management system and a comprehensive quality assurance framework. The Company has also obtained several authoritative certifications, including ISO9001 for quality management and ISO14001 for environmental management. In addition, its testing center has received accreditation from the China National Accreditation Service for Conformity Assessment (CNAS) and mutual recognition under the International Laboratory Accreditation Cooperation (ILAC).

The Company has established a dedicated Intellectual Property Department responsible for IP system implementation and rights protection. For trademark infringement and other unlawful acts, the Company takes legal action such as litigation and reporting to firmly combat infringement and safeguard its legitimate rights and interests. In daily operations, the Company proactively mitigates IP risks, strengthens the protection, application, and commercialization of innovation, and enhances its independent innovation capability and market competitiveness, providing continuous momentum for technological advancement and sustainable development.

Establishing an Intellectual Property Management Body	Ensures systematic and professional management of IP work, including formulating IP strategies, supervising system implementation, and handling IP-related matters.
Strengthening Employee IP Training	Enhances employees' awareness and capability in IP protection by conducting regular IP training sessions covering relevant laws and regulations, infringement case studies, and other contents, ensuring employees understand and follow applicable rules.
IP Application and Maintenance	Protects the Company's innovation and legal rights by promptly applying for patents, trademarks, copyrights, and other forms of IP, and maintaining their validity through timely payment of renewal fees.
IP Risk Management	Prevents IP disputes and potential losses by identifying and managing IP-related risks throughout product design, production, procurement, market entry, sales, information release, advertising activities, etc., and formulating appropriate risk-mitigation measures.
IP Protection Management	Builds a comprehensive IP protection system that strengthens management of technological innovations, conducts risk reviews, safeguards trade secrets, and establishes independent reporting and complaint channels to reinforce internal supervision. These measures collectively enhance corporate governance, product compliance, and social responsibility performance, promoting long-term sustainable development.
Promoting IP Commercialization and Utilization	Facilitates the industrialization and commercialization of IP achievements, deepens the integration of IP with business development, and transforms IP into new sources of economic growth.

For the year 2025, the performance data of MoKingRan in terms of patents is as follows:

Indicator Name	**Unit**	**The Fiscal Year 2025**	**The Fiscal Year 2024**
Patent		582	660
Invention patent	/	47	47
Utility model patent	/	101	115
Design patent	/	434	498
Copyright	/	7,183	4,673
Trademark	/	706	679
Lead the drafting of national standards	/	20	10
Lead the drafting of industry standards	/	16	5

Technological Innovation

MoKingRan continues to advance the development of its research and development system and technological upgrades. The Company has established regional research and development centers and supporting offices in Weifang, Shandong and Shenzhen, Guangdong, covering functional modules such as materials testing, jewellery design, machinery and equipment development, and process technology research. These efforts continuously enhance the Company's jewellery manufacturing capabilities and expand its pipeline of innovative gold jewellery products. The Company's intelligent manufacturing center for gold jewellery — "Mokingran Town" — has become the first "5G Factory" in China's gold jewellery industry, enabling the implementation of multiple smart manufacturing scenarios, including 3D design and printing, CNC precision engraving, intelligent spring-lock manufacturing, and smart warehousing. Looking ahead, the Company will further advance the development of projects such as smart logistics and intelligent manufacturing to support brand innovation and upgrading, driving the intelligent transformation and high-quality development of the gold jewellery industry.

Case Study: First Prize at the Shandong High-end Equipment New Industrialization Innovation & Creativity Competition

The finals and award ceremony of the 2025 Shandong High-end Equipment New Industrialization Innovation & Creativity Competition — jointly organized by the Shandong Provincial Department of Industry and Information Technology and the Shandong Federation of Trade Unions — concluded successfully at the Jinan Workers' Home. The Company's project, Preparation Technology for the "Precision Components" Spring Clasps of Precious Metal Jewellery, stood out among numerous entries across the province, earning the First Prize for its outstanding innovation, practicality, economic value, and breakthroughs in tackling key technical bottlenecks.


证 书

贵金属饰品精工"零部件"弹簧扣制备技术项目，在山东省工业和信息化厅、山东省总工会联合主办的 2025 年度山东省高端装备新型工业化创新创意大赛中荣获：

一等奖

项 目 类 别：发明创造
项目完成单位：山东亿福金业珠宝首饰有限公司
项目第一完成人：王国鑫
项目其他完成人：王娜、李本松、薄孟民、王泽钢、秦培江

山东省装备制造业协会
二〇二五年十二月

山东省高端装备新型工业化创新创意大赛组委会
二〇二五年十二月

山东省国防机械电子工会
二〇二五年十二月

The competition focused on breakthroughs in "bottleneck" technologies in high-end equipment manufacturing, green and low-carbon transformation, and upgrades in digital-intelligent management. It featured three main tracks: Invention & Innovation, Process Innovation, and Management Innovation, attracting participation from more than 200 enterprises, research institutions, and university-affiliated units across 16 cities in Shandong Province. After multiple rounds of preliminary selection, 45 projects in the Invention & Innovation category, 33 in the Process Innovation category, and 8 in the Management Innovation category advanced to the finals. At the finals, the Company's project team engaged in a rigorous and insightful presentation, showcasing the key technological breakthroughs of the Preparation Technology for the "Precision Components" Spring Clasps of Precious Metal Jewellery. The project received high recognition from the panel of expert judges.

As a leading expert in high-purity precision gold jewellery in China, the Company has always taken technological innovation as its core driving force. This award represents another affirmation of its innovation achievements. Looking ahead, the Company will continue to focus on tackling frontier technologies in the industry, accelerating the commercialization of innovation and contributing further to Shandong's high-end equipment manufacturing sector as it advances toward greater innovation and higher quality development.

Key Research and Development Directions

Technology Research and Development:

- Collaborate with partners engaged in strategic research to continuously push the boundaries of gold purity.
- Successfully developed several gold jewellery series with purity levels of 999.9, 999.99, and 999.999.

Machinery Research and Development:

- Dedicated to advancing automation and digitalization in gold-jewellery manufacturing.
- Successfully developed automated equipment such as edge-rolling machines, welding machines, and engraving machines, covering multiple product processes.

Product Research and Development:

- Jewellery design includes exhibition pieces, signature collections, and regular collections, serving product showcases, brand promotion, and everyday wear respectively.
- The research and development team adopts "Harmony Between Nature and Humanity" as its core design philosophy, emphasizing the balance and synergy between jewellery and the wearer.

Design Development:

- Optimize the development structure for hard-gold designs, gemstone-setting designs, precision-craft designs, pendant designs, and bangle/ring designs.
- Strengthen research and development on hard-gold components, precision carving, filigree engraving, gemstone-setting with CNC carving and floral patterns, and combined setting techniques.
- Innovate precision-craft structures and CNC gemstone-setting structures.
- Explore new material innovations, including gemstone and wood inlay.

Case Study: "Dancing on the Needle's Tip" — A Record of Improving the Rope-Chain Machine Spindle Sleeve

The rope-chain machine was nearly paralyzed due to spindle wear, while a large and urgent order was pressing forward relentlessly. The production supervisor of the mechanism chain workshop, Mr. CHEN, paced anxiously as the silence of the halted machine echoed like a countdown, urging him forward. Once the spindle— as thin as an embroidery needle — became worn, it traditionally had to be scrapped entirely and replaced with a new component from machine maintenance. But with rope-chain production under extreme time pressure, the wait for repairs and re-issuance of parts became painfully costly. Hoping for a breakthrough, he rushed to find another employee, Mr. LIU.

After learning the situation, Mr. LIU immediately inspected the rope-chain machine. He repeatedly touched the worn and delicate spindle, comparing the physical parts with technical drawings. Then he noticed a crucial detail: the spindle and spindle sleeve were bonded together using anaerobic adhesive. This tiny discovery shone like a faint beam piercing through the fog. If heat could break the adhesive and separate the spindle from the sleeve, then by inserting the worn end into the sleeve and machining a new slot at the other end, the spindle might be restored to functionality. The spindle was needle-thin, but Mr. LIU's insight penetrated the obstacle, catching a glimpse of a possible "turning point".

The idea was clear but executing it was like dancing on the tip of a needle. Precision machining tolerates no error. Mr. LIU set up a microscope to determine the exact slot position, then focused intensely while operating the lathe with meticulous care. Leaning over the lathe, eyes fixed sharply on the tiny spindle, he precisely milled the marked groove. His patience paid off—when the refurbished spindle assembly was installed into the smallest rope-chain machine and it roared back to life, both supervisor, Mr. CHEN, and Mr. LIU finally exhaled the breath they had been holding all day.

Mr. LIU's ingenuity not only saved an urgent major order but also overturned an old practice. Previously, replacing a spindle component cost RMB 130. Now, with only minimal labor needed for machining, the worn spindle was brought back to life. The supervisor, Mr. CHEN, grasped Mr. LIU's hand and exclaimed, "This is truly turning stone into gold!" Others in the workshop gathered around, joking, "Looks like in our workshop, we won't even waste an embroidery needle anymore!".

Mr. LIU's seemingly simple "reversal technique" is worth far more than the hundred RMB saved. It demonstrates that true wisdom often lies hidden in the smallest details around us—worn spindles, discarded scraps, even a loose screw. These "needle-tip" corners may, in fact, be untapped treasure waiting to be discovered.

Product Innovation

The Company continues to advance craftsmanship and design innovation in its gold and jewellery products. By optimizing manufacturing technologies, improving material utilization, and strengthening digital research and development capabilities, the Company consistently enhances product quality and differentiated value. Through integrating modern design concepts with traditional craftsmanship, the Company introduces innovative products that are lighter, more durable, and aesthetically refined, thereby continuously strengthening its market competitiveness.

Pilot Scheme for Research and Development Compensation and Performance for Gold Product Designers

To motivate gold product designers, regulate workflow and standards, and improve overall efficiency and product quality through performance-based compensation management, the Company has implemented a pilot scheme for research and development compensation and performance evaluation for gold product designers. Under this scheme, different salary tiers are established for various job levels, serving as a structured and effective incentive mechanism.

1.4 Privacy Protection

The Company places the security of customers' personal data as a top priority and strictly complies with the Personal Information Protection Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and other relevant laws and regulations. The Company continuously evaluates the effectiveness of its data security and privacy protection mechanisms. To address evolving regulatory requirements, the Company regularly reviews its privacy policies and optimizes internal operational procedures to ensure that data-management practices remain aligned with the latest legal standards. At the same time, the Company continues to strengthen customer information protection measures, enhance the compliance of data processing activities, and effectively safeguard users' privacy rights and interests.

1.5 Cybersecurity Training

The Company continues to strengthen its information security governance by regularly organizing company-wide cybersecurity training sessions. Through specialized courses covering topics such as cybersecurity risk identification, data-protection principles, rules for handling and transmitting sensitive information, phishing-email detection, password security, management of mobile storage devices, and compliant use of AI tools, the Company enhances employees' awareness and capability in data protection. The training is provided to all employees through a combination of offline instruction and case-based learning, and its effectiveness is ensured through attendance records, on-site assessments, and performance evaluations, thereby reinforcing the Company's overall cybersecurity and data-compliance capabilities.

The Company has established a full-process information-confidentiality management system that covers data collection, storage, use, transmission, and destruction. It strictly implements measures such as tiered access control, minimum necessary authorization, encryption of sensitive data, and access logging. The Company also applies full-lifecycle protection to customer privacy, supplier information, and internal sensitive data, while strengthening third-party data management and compliance monitoring. These measures effectively enhance the Company's information security and data-compliance standards.

Cybersecurity Training

2. LOW-CARBON AND ECO-FRIENDLY, GREEN OPERATION

MoKingRan firmly believes that environmental protection is a key element in promoting sustainable social development and actively engages in environmental improvement efforts. Throughout its production and operation processes, the Company diligently practices the energy conservation and environmental protection, striving to reduce the consumption of natural resources, prevent excessive emissions, and avoid environmental damage caused by pollutants. The Company has established an environmental management organizational structure to protect the environment and built an "environmentally friendly enterprise" to strictly prevent all types of environmental incidents. The Company has formulated environmental protection objectives and, to strengthen the management of new construction, renovation, and expansion projects and prevent the creation of new pollution sources or ecological damage, the Company has established a Construction Project Environmental Protection Management System. To ensure the proper operation of environmental protection facilities, control pollution, and improve environmental quality, the Company has formulated an Environmental Protection Facilities Operation Management System in accordance with the Environmental Protection Law of the People's Republic of China, the Work Safety Law of the People's Republic of China, and other relevant laws and regulations. To enhance the management of environmental incidents, ensure timely reporting and handling, and prevent incidents from escalating, the Company has developed an Environmental Incident Management System based on national and local regulations, standards, and requirements, and adapted to the Company's actual situation. To raise employees' environmental awareness and prevent or reduce various environmental incidents, the Company has formulated an Environmental Protection Training and Education System. To further strengthen environmental supervision, regulate employees' environmental behavior, prevent pollution incidents, protect public health, and enforce environmental responsibility, the Company has established an Environmental Reward and Penalty Management System in accordance with the Environmental Protection Law of the People's Republic of China and relevant documents issued by the Weifang Environmental Protection Authority. In order to protect employees' health and the surrounding environment and prevent environmental incidents, the Company has also formulated an Environmental Governance Management System in line with the provisions of the Environmental Protection Law of the People's Republic of China. Additionally, the Company has developed the "Three Wastes" Management System, Environmental Reward and Penalty Management System, Position-Based Environmental Responsibility System, Environmental Sanitation Management System, Environmental Protection Management System, Pollutant Discharge and Environmental Statistics Management System, General Solid Waste Management System, Hazardous Waste Management System, Emergency Environmental Incident Response Management System, and Environmental Information Disclosure System.

2.1 Environmental Management

MoKingRan strictly complies with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Environmental Impact Assessment Law of the People's Republic of China, and the revised Marine Environmental Protection Law of the People's Republic of China, and has obtained ISO14001 Environmental Management System certification. The Company has established a dedicated Safety and Environmental Protection Department and developed a full-process environmental management mechanism, incorporating ecological civilization development into key work areas and continuously optimizing its environmental management system. At the same time, the Company has formulated institutional documents such as the Environmental Protection Management System, Environmental Protection Target Accountability System, Hazardous Waste Management System, Three-Wastes Management System, and Position-Based Environmental Responsibility System to provide institutionalized and standardized support for environmental management. In 2025, the Company invested RMB808,900 in environmental compliance to continuously enhance its environmental management capability.

During the Reporting Period, MoKingRan advanced pollution prevention, energy conservation, and emission reduction from multiple dimensions in alignment with its environmental management objectives, ensuring the steady implementation of relevant measures. When setting ESG-related KPI targets, the Company fully considered historical performance, industry best practices, and future business development needs, striving to strike a balance between business growth and environmental protection to achieve sustainable development. The Company aims that by 2030, compared with 2020 levels, water consumption, energy consumption, greenhouse gas emissions, and waste generation per RMB1 million of revenue will each be reduced by 5%.

2.2 Emission Management

MoKingRan conducts thorough geographical location assessments and process planning prior to project construction and performs systematic analysis of potential environmental impact factors through environmental impact assessment approvals and land resource planning procedures to ensure that projects are not located within ecological protection zones or key river control areas. The Company's production and operation activities do not generate large quantities of heavily polluting substances, nor are they included in the "high pollution and high environmental risk" product categories listed in the Catalogue of Comprehensive Environmental Protection (2017 Edition) issued by the Ministry of Ecology and Environment. At the same time, the industry in which the Company operates is not classified as a heavily polluting sector under the Catalogue for Classified Environmental Protection Verification Management of Listed Companies and does not involve high-risk or high-pollution processes, thus posing no significant adverse impact on the ecological environment. During the Reporting Period, MoKingRan experienced no administrative penalties or related litigation arising from environmental issues, demonstrating strong overall environmental compliance performance.

Waste Gas Emission Management

MoKingRan air emissions mainly originate from the processing of gold, hard gold and K-gold, including organic exhaust generated from gold solution preparation and silver oil volatilization, as well as fume emissions from electroforming and acid-boiling processes. Adhering to the principle of "source control and prevention first", the Company reduces the impact of exhaust gases on the surrounding environment and promotes cleaner production through process optimization and enhanced treatment measures. The main initiatives include:

- **Strengthening source collection and control:** Gas collection hoods and treatment cabinets are installed at all emission-generating stages, and variable-frequency fans are used to effectively control airflow and prevent the dispersion of exhaust gases.

- **Organic exhaust gas treatment:** Organic exhaust gases are treated through a ceramic-pellet adsorption and high-temperature carbonization regeneration system. After the ceramic pellets reach adsorption saturation, they enter a high-temperature carbonization furnace for carbonization. The tail gas then enters a post-treatment spray tower and undergoes three-stage scrubbing before being discharged in compliance with standards.

- **Acidic exhaust gas treatment:** Acidic exhaust gases are treated through a combined process of ceramic-pellet adsorption, condensation recovery, and spray-tower tail-gas absorption. The absorption liquid enters the acid wastewater collection system and is further treated using the hydrogen peroxide oxidation method to ensure safe and compliant discharge.

- **Third-party testing mechanism:** The Company regularly engages qualified third-party institutions to conduct exhaust gas monitoring to ensure that all emission indicators comply with national and local standards and that no excessive emissions occur.

Through multi-dimensional exhaust gas treatment measures, the Company continues to reduce environmental emission risks and strengthen its green manufacturing capabilities.

Wastewater Discharge Management

MoKingRan wastewater mainly originates from industrial wastewater and domestic wastewater. Industrial wastewater is collected and sent to the wastewater treatment workshop for centralized treatment, achieving zero discharge and ensuring that no pollution is caused to the environment. Wastewater from the gold-processing stage primarily comes from the cleaning process after polishing; wastewater generated from hard gold and K-gold production includes process wastewater, drainage from exhaust-gas treatment facilities, and wastewater from purified-water preparation. Domestic wastewater mainly comes from office and living areas. The Company strictly complies with national and local environmental protection regulations to ensure that all wastewater is treated in accordance with standardized procedures.

- The Company adopts a strict multi-stage treatment process, including "PH adjustment — gold recovery (hydrazine hydrate method) — multi-media filtration", followed by a "double-effect evaporation — ultrafiltration" process to achieve wastewater recycling and reuse. The treated purified water is used for electroplating and other workshop processes; part of the purified water may be discharged into the fire-fighting water tank or temporary storage tanks for plant landscaping, realizing closed-loop resource utilization.

- Domestic sewage is treated through sedimentation and then handed over to qualified third-party institutions for further treatment. At the same time, the Company uses an electronic water-card system to monitor water usage, minimizing domestic wastewater discharge and improving water-resource utilization efficiency.

Through a rigorous system of wastewater collection, treatment, and reuse, the Company effectively reduces water resource consumption, lowers pollution-related risks, and continuously advances green manufacturing and resource recycling.

Waste Discharge Management

MoKingRan solid waste primarily includes general solid waste, domestic waste, and hazardous waste. The Company has established a systematic and standardized solid-waste management mechanism, implementing classified collection, categorized temporary storage, and compliant disposal for different types of waste to ensure that full-process management meets national and local environmental protection requirements:

- General solid waste mainly comes from waste wax, scrap materials, packaging materials, and used cartons generated during jewellery processing. The Company centrally collects and uniformly sells packaging materials and used cartons, while waste wax, scrap materials, and other reusable substances are fully recovered and reprocessed to achieve resource recycling.

- Hazardous waste includes waste chemical-material packaging, waste lubricating oil and oil barrels, waste hydraulic oil and oil barrels, waste cutting fluid and fluid barrels, sludge from the wastewater treatment station, evaporated waste salts, and used filter cartridges. The Company has established a dedicated hazardous-waste warehouse for standardized temporary storage and commissions qualified third-party institutions to conduct compliant collection, transportation, and disposal, ensuring that the entire hazardous-waste management process is closed-loop and controllable.

- In accordance with environmental impact assessment requirements, the Company clearly identifies and classifies solid waste and hazardous waste and separately manages them through a "solid-waste warehouse" and a "hazardous-waste warehouse." Domestic waste is collected and transported by the sanitation department, while general solid waste and hazardous waste are regularly removed and professionally treated by qualified units. The Company also retains all transfer certificates to ensure full traceability, compliance, and transparency. Through classified storage and standardized disposal under a comprehensive solid-waste management system, the Company effectively reduces solid-waste environmental risks, promotes resource recycling, and supports green production and sustainable development.

Noise Management

MoKingRan production noise mainly originates from equipment such as car-flowering machines, CNC electrical discharge machines, multifunctional engraving machines, pumps, and exhaust systems. Since these machines operate within enclosed workshop buildings, their impact on the surrounding environment is relatively small. To further reduce noise generation and transmission, the Company adopts a process-segmented layout inside the workshops and installs aluminium-alloy partition walls. The workshop structure features an upper-and-lower layered design, with marble materials added to the exterior layer and an air cavity reserved between the wall and the marble, effectively preventing noise from spreading outward.

The Company regularly conducts noise monitoring at workstations and plant boundaries, and all monitoring results comply with national and local environmental noise standards, with no exceedances observed. Overall, the noise generated during production has a minimal impact on the surrounding environment, and the Company's noise-management performance remains strong.

The environmental performance data of MoKingRan for the year 2025 are as follows:

Indicator Name	Unit	The Fiscal Year 2025	The Fiscal Year 2024
Hazardous waste generated[1]	Tons	1.94	1.12
Hazardous waste generated per million revenues[2]	Kg per RMB million revenue	0.09	0.06
Non-hazardous waste generated[3]	Tons	175.53	139.05
Non-hazardous waste per million revenues	Kg per RMB million revenue	1.72	7.05
Sewage discharge	Cubic meters	59,109	80,417
Sewage discharge per million revenues	Tons per RMB million revenue	2.85	4.08
Waste gas emissions[4]	Tons	0.53	0.59
Waste gas per million revenues	Kg per RMB million revenue	0.03	0.03

Notes:

1 The statistical caliber of hazardous waste includes discarded chemical materials, sludge from sewage treatment plants, evaporated waste salt, discarded filter cartridges, etc., which are temporarily stored in hazardous waste warehouses and entrusted to qualified external parties for collection, transportation, and storage.

2 Emission intensity refers to the intensity of emissions per million revenue.

3 The statistical caliber of non-hazardous waste includes the generation of general solid waste and household waste.

4 The statistical caliber of waste gas produced during the processing includes the waste gas generated from the preparation of liquid gold, the volatile organic waste gas during the addition of silver oil, electroforming waste gas, acid boiling waste gas, waste gas produced during the preparation of gold water, and the waste gas generated from the combustion of coal and natural gas.

2.3 Resource Utilization

MoKingRan strictly adheres to the relevant requirements of the Energy Conservation Law of the People's Republic of China, upholds the concept of green development, implements energy conservation and emission reduction management and resource recycling throughout the entire process of production and operation, actively promotes green office initiatives, focuses on enhancing the comprehensive utilization of resources, effectively reduces energy and resource consumption, and contributes to the sustainable development of society.

Energy Consumption Reduction

MoKingRan actively responds to national policies on energy conservation and emission reduction and is committed to lowering energy consumption and greenhouse gas emissions through systematic energy management. The Company's energy structure primarily includes gasoline and diesel used by company-owned vehicles, natural gas consumed by production facilities and other fossil fuels, as well as purchased electricity and heat required for production and operations. To build an efficient and low-carbon production and operating environment, the Company continuously advances energy optimization and enhances energy efficiency through various innovative measures, reducing carbon emissions and fully supporting green and low-carbon development.

Operations Phase

— Strictly implement energy-saving management requirements: employees must turn off the main power supply or switch devices to sleep mode when leaving the office for extended periods and enable energy-saving modes during work to minimize energy consumption.

— Implement an electricity-card management system to ensure that electricity use remains within reasonable limits and to prevent waste of power resources.

— Apply standardized vehicle-dispatching and cost-control procedures to reduce vehicle idling rates, lower operating costs, and enhance transparency and efficiency in vehicle scheduling.

— Actively promote green office practices, encouraging employees to adopt environmentally friendly, low-carbon, and sustainable work habits, such as energy conservation, reducing the use of disposable items, and promoting paperless office methods.

— Invite environmental experts or industry leaders to deliver seminars on environmental protection, educating employees on environmental knowledge, enhancing environmental awareness, and explaining how to implement environmental concepts in daily work.

Production Phase	—	Utilize smart electricity meters and power-monitoring devices to track real-time energy consumption data across departments and equipment, identify anomalies and high-consumption areas, and improve overall energy efficiency.
	—	Introduce frequency-conversion technology to continuously optimize the operating efficiency of motors, pumps, and other equipment, reduce no-load losses, and effectively lower energy consumption.
	—	Phase out high-efficiency equipment and prioritize the use of energy-efficient motors, air conditioners, compressors, and other equipment; replace traditional lighting with LED fixtures, effectively reducing lighting energy consumption by more than 60%.
	—	Implement refined energy management by installing sensor switches and timers to control lighting, enabling automatic power cutoff in unoccupied areas, standardizing air-conditioning temperature settings, and restricting non-essential operation during specified periods.

Save Water Resources

The water usage of our Group mainly relies on the municipal water supply system, and we have not encountered and do not expect to encounter any issues in acquiring water sources during our production and operations. During the Reporting Period, we actively implemented multiple water-saving measures, effectively reducing water resource consumption:

- Implement a water card management system: monitor water usage through a water card management system to ensure that water usage is within a reasonable range, and avoid water resource wastage.
- Install water-saving devices: introduce automatic faucets and water-saving nozzles, effectively reducing daily water consumption.
- Adopt a closed loop circulating water system: through the recycling and reuse of water resources, the total water consumption is significantly reduced, increasing the water reuse rate.
- Regular inspection and maintenance: regularly inspect the of water pipes and relevant equipment, with timely repairs or replacement of aging facilities, preventing water loss due to leakage.
- Utilizing wastewater treatment and reclaimed water reuse technology to improve the cyclic use of water. After being treated at the wastewater treatment station, the wastewater is reused in the production process after “double-effect evaporation- ultrafiltration”, which reduces the consumption of water resources.

Reduce Packaging Materials

Reducing the use of packaging materials is an important initiative for enterprises to promote resource conservation and sustainable development. MoKingRan recognizes that excessive packaging not only increases resource consumption but also imposes additional burdens on the environment; therefore, the Company continues to advance green packaging practices. The Company prioritizes the use of environmentally friendly packaging materials to reduce the environmental impact of packaging waste.

To achieve full-chain digital management of products and reduce the use of disposable packaging materials, the Company has introduced reusable RFID electronic tags. These electronic tags are rewritable and can be collected and reused before products enter the retail stage, significantly reducing paper consumption compared with traditional paper tags. Their multiple-rewrite capability effectively avoids the waste generated by disposable tags after single use, enhances resource-recycling efficiency and aligns with the Company's green, low-carbon development goals and sustainable operation.

For the year 2025, the performance data of MoKingRan in terms of the environment is as follows:

Indicator Name	Unit	The Fiscal Year 2025	The Fiscal Year 2024
Total water consumption	Tons	84,441	75,812
Water consumption per million revenues	Tons per RMB million revenue	4.08	3.85
Total packaging materials	Tons	30.30	22.77
Packaging materials consumption per million revenues	Tons per RMB million revenue	0.001	0.001

2.4 Impact of Climate Change

Governance

Addressing climate change is an important requirement for promoting high-quality corporate development and green transformation. In response to China's national "dual-carbon" goals, MoKingRan regularly identifies and assesses potential risks and challenges brought about by climate change, integrating climate-risk management into all aspects of its production and operational processes and formulating corresponding response strategies. The Company continues to advance energy conservation, emission reduction, and low-carbon operations, and strengthens its capacity for climate adaptation and mitigation through process optimization, improved resource-use efficiency, and other initiatives, thereby contributing to sustainable corporate development.

The Group ensures that its ESG governance structure possesses the necessary experience and capabilities by inviting external experts to provide training on climate-change-related topics, supporting the ESG governance structure in acquiring the professional knowledge required to fulfil climate-related governance responsibilities.

On this basis, MoKingRan leverages its own strengths to seize opportunities in green development and promote sustainable development for both the Company and its partners. The Group has established a three-tier ESG governance structure, comprising the Board of Directors, the Strategy and Sustainability Committee, and the ESG Working Group, to manage ESG matters, including climate change.

Strategy

Based on its own operational characteristics and the nature of its upstream and downstream value chain, and in accordance with the Hong Kong Stock Exchange's ESG Reporting Code while referencing disclosure frameworks such as the International Financial Reporting Standards Sustainability Disclosure Standard IFRS S2 – Climate-related Disclosures, MoKingRan identifies climate-related risks and opportunities and takes proactive actions to address climate-change risks and capture development opportunities.

Climate-related Risk	Potential Financial Impact	Time Horizon of Impact	Financial Impact	Response Measure
Transformation risks				
Policy and legal risks	— As the market increasingly recognizes the risks brought by climate change and climate-related policies and regulations become more stringent both domestically and internationally, the company may face higher compliance costs and greater pressure on information disclosure.	Mid-Long	Medium	— Closely monitor the latest policy developments related to climate change, enhance the level of ESG information disclosure, and ensure that operations remain compliant with the most up-to-date regulations. — Integrate climate-change response measures into the company's long-term development planning, fully considering the potential impacts of relevant policy requirements on the company's business development and financial costs.
Market risks	— Changes in consumer behavior regarding the selection of green and environmentally friendly products.	Long	Low	— Enhance product quality and service, improve customer satisfaction, and actively promote and advocate low-carbon and green consumption concepts.
Technological risks	— As low-carbon technological upgrades accelerate across the industry, traditional production equipment and processes may face the risk of declining market competitiveness if they fail to meet new standards.	Mid-Long	Medium	— Actively innovate low-carbon and environmentally friendly production processes by adopting a solder-free welding technology protected by national invention patents. This process avoids chemical pollution and the release of toxic substances, while ensuring impurity-free products that are healthier and refined processes that are more environmentally friendly.

Climate-related Risk	Potential Financial Impact	Time Horizon of Impact	Financial Impact	Response Measure
Reputation risks	— Failure to take proactive and effective climate-related actions and to disclose information in a timely manner to meet the expectations of external stakeholders may result in reputational damage to the Company.	Long	Low	— Strictly comply with sustainability-related policy requirements, continuously strengthen the company's sense of social responsibility, and consistently enhance the quality of products and services. — Provide transparent and effective communication channels for stakeholders, actively demonstrating the Company's commitments and progress in environmental protection.
Physical risks				
Acute risks	— Extreme weather events such as floods, heavy rainfall, and typhoons may pose risks to the company, including asset damage, personnel injuries, and disruptions to production activities.	Short	Low	— Based on the frequency and severity of extreme weather events (such as typhoons, floods, and severe storms) in the office region, the Company has developed an 'Environmental Emergency Response Plan', which includes emergency measures for sudden extreme weather conditions, environmental pollution incidents, and pollutant leaks, and has filed the plan with the local Environmental Protection Bureau.
Chronic risks	— Rising temperatures may affect the company's normal operations or lead to increased operating costs. — Disruptions in the supply of raw materials and fluctuations in their prices may result in higher procurement costs.	Long	Low	— Continuously monitor the evolving trends of chronic climate-related risks. — Mitigate cost pressures by optimizing resource utilization and improving efficiency, thereby continuously enhancing operational performance. — Strengthen supply chain management to improve the climate resilience of the supply chain.

Climate-related Risk	Potential Financial Impact	Time Horizon of Impact	Financial Impact	Response Measure
Opportunities				
Resource efficiency	The application of new energy-saving technologies and high-efficiency equipment supports the company in achieving green, efficient, and low-carbon development.	Mid-Long	Medium	— Phase out high-energy-consumption equipment and prioritize the adoption of high-efficiency motors, air-conditioning units, compressors, and other equipment, while actively introducing new energy-saving technologies.
Source of energy	Reducing the use of fossil fuels and increasing the proportion of renewable energy will help the company transition toward low-carbon and environmentally friendly development.	Mid-Long	Medium	— Actively promote the use of renewable energy, optimize production processes and energy-use interfaces, and reduce the reliance on fossil fuels.
Products and services	Vigorously promote the research and design of green, environmentally friendly, and circular products, which can effectively adapt to changing consumer preferences, help the company explore new markets, and lead new consumption trends.	Mid-Long	High	— Actively promote 'trade-in' programs to support the recycling of gold resources and advocate new consumer trends that emphasize resource circularity and low-carbon, environmentally friendly practices.
Adaptability	Strengthen supply chain management and collaboration to jointly enhance climate resilience.	Mid-Long	Medium	— Prioritize the procurement of materials that meet green standards, encouraging stronger collaboration and communication between the Company and its suppliers to promote the development of a more environmentally friendly supply chain.

In view of the exemption arrangements provided by the Hong Kong Stock Exchange (including the reasonable information exemption, capability exemption, and financial impact exemption), this report does not disclose detailed information regarding financial impacts or climate-related scenario analysis and instead focuses on qualitative descriptions. In addition, we have not yet implemented a climate-related transition plan. The Group is committed to continuously enhancing its relevant capabilities and will progressively improve such disclosures in future reports.

Risk Management

Risk Identification

The Company regularly conducts assessments to identify climate-related risks and opportunities. Working together with external professional consultants, the Company analyzes macro-policy trends and industry developments and combines these insights with internal communication to jointly establish and update a list of climate-related risks and opportunities.

Risk Assessment

For the identified risks and opportunities, the Company evaluates both the likelihood of occurrence and the potential severity of impact to determine the overall risk level. This process helps determine the prioritization of climate-related risks and highlight key risks.

Risk Response

For the major risks identified through assessment, the Company formulates targeted response strategies and action plans. These measures manage risks effectively through elimination, mitigation, or transfer, while also capturing relevant climate opportunities.

Risk Monitoring

The Company continuously tracks changes in climate-related risks and opportunities, regularly reviews and updates the risk-and-opportunity list, and establishes a regular reporting mechanism to management. This ensures that the Board and management receive timely climate-related information to support decision-making.

Indicators and Targets

Against the backdrop of intensifying global climate challenges, setting clear climate goals and performance indicators has become an important measure for enterprises to effectively respond to climate risks. Scientifically sound climate targets not only demonstrate a company's commitment to future low-carbon development but also provide clear direction for achieving green transformation. By establishing quantifiable and trackable climate indicators, the Company can clarify its emission-reduction pathway and responsibility allocation, ensuring that the effectiveness of related measures can be properly evaluated and continuously improved.

■ Key Energy Conservation and Greenhouse Gas Reduction Targets

Key Environmental Indicators	Target Setting	
Energy Consumption	—	Using 2020 as the baseline year, the Company aims to reduce energy consumption per RMB1 million in revenue by 5% by 2030 compared with 2020.
Greenhouse Gas Emissions	—	Using 2020 as the baseline year, the Company aims to reduce greenhouse gas emissions per RMB1 million in revenue by 5% by 2030 compared with 2020.

■ Energy Use and Greenhouse Gas Emission Indicators

For the year 2025, our key performance indicators for energy usage and greenhouse gas emissions are as follows:

Indicator Name		Unit	The Fiscal Year 2025	The Fiscal Year 2024
Direct energy[5]	Natural Gas	Cubic meters	139,640.00	155,224.21
	Liquefied Gas Consumption	Cubic meters	2.68	/
	Acetylene Consumption	Kilogram	18.00	/
	Gasoline	Liters	76,466.53	92,305.32
	Diesel	Liters	21,321.51	25,655.27
Indirect energy[6]	Purchased electricity	Ten thousand kWh	1,007.06	877.26
	Purchased steam	Tons	1,343.14	2,352.91
Total energy consumption[7]		Tons of standard coal	1,670.52	1,648.72
Total energy consumption per million revenues		Tons of standard coal per million revenue	0.08	0.08
Total greenhouse gas emissions[8]		Tons CO_2 equivalent	6,390.12	6,113.99
Among them, Scope 1 (Direct greenhouse gas emissions)		Tons CO_2 equivalent	562.75	611.55
Scope 2 (Indirect greenhouse gas emissions)		Tons CO_2 equivalent	5,827.37	5,502.44
Emissions of greenhouse gas per million revenues		Tons CO_2 equivalent per RMB million revenue	0.31	0.28

Due to adjustments in the statistical methodology, the energy source data for 2024 has been reviewed and the relevant indicators have been updated accordingly.

5 The statistical caliber of direct energy includes the usage of natural gas, gasoline, and diesel.

6 The statistical caliber of indirect energy includes the volume of purchased electricity and purchased steam, among which the electricity consumption has increased due to the relocation to a new factory in 2024.

7 The statistical caliber of the total comprehensive energy consumption includes the usage of natural gas, gasoline, diesel, as well as the usage of purchased electricity and purchased steam. The data for converting energy into standard coal is referenced from “General Rules for Calculation of Comprehensive Energy Consumption” (GB/T 2589-2020) and “General Rules for Calculation of Comprehensive Energy Consumption” (GB/T 2589-2008).

8 The statistical caliber of greenhouse gas emissions includes emissions from both direct and indirect energy sources, with GWP values referenced from the “Sixth Assessment Report” published by the Intergovernmental Panel on Climate Change (IPCC). The emission factors for purchased electricity in Scope 2 are referenced from the “Notice on the Release of the 2022 Power CO_2 Emission Factors” issued by the Ministry of Ecology and Environment.

3. PEOPLE-ORIENTED, SHARING THE GOOD

3.1 Building a Harmonious Team

MoKingRan insists on people-oriented principles and strictly abides by the labour-related laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, and the Employment Promotion Law of the People's Republic of China, and establishes corresponding internal human resource management systems. In employment management, we strictly adhere to the principles of fairness, equity, and legal compliance, fully safeguarding the legitimate rights and interests of employees. The Company continuously improves its employment and welfare policies to ensure equal employment and career development opportunities. The Company also strictly prohibits any form of illegal employment practices and is committing to fostering an open, transparent, harmonious, and stable working environment.

- **Equal and Compliance Employment**

  MoKingRan firmly opposes any form of discrimination during the recruitment process and strictly enforces a relatives-avoidance policy for designated positions. The Company adheres to the principles of "open recruitment, fair competition, and merit-based selection", striving to build a lawful and compliant recruitment and dismissal management system. Through multiple channels—including campus recruitment, social recruitment, and internal referrals — the Company expands its talent pipeline and conducts comprehensive evaluations of candidates based on various aspects such as job fit, professional competence, and work attitude to ensure optimal alignment between individuals and positions.

  During employment, the Company respects and safeguards employees lawful rights to information, participation, and supervision, continuously fostering an equal, fair, and inclusive workplace. MoKingRan strictly follows national labor laws and regulations when handling employee dismissal and resignation matters, fully protecting the legitimate rights and interests of both parties and working to build a harmonious and stable labor relationship.

  Clear Probation Standards: MoKingRan has established a comprehensive and detailed probation-period management system based on the responsibilities, skill requirements, and complexity of different positions. By fully considering the nature of each role, its scope of responsibility, and the professional competencies required, the Company scientifically sets the probation duration for various positions to ensure that the arrangements are reasonable, compliant, and fair. At the same time, through clearly defined probation standards and management procedures, the Company helps employees better adapt to job requirements and supports the establishment of a stable, transparent, and compliant employment relationship.

  Building a Structured Process System: Upholding the principles of fairness and transparency in employment management, MoKingRan has established standardized procedures for permanent employment confirmation and dismissal, ensuring that career development pathways are clear and that management practices remain fair and reasonable.

  — After employees pass the probation-period assessment and meet the criteria for permanent employment confirmation, they complete the internal approval procedures. The Company then officially assigns them to their positions based on operational needs and implements the corresponding compensation arrangements.

— For employees who do not pass the assessment, fail to meet probation-period performance standards, or are deemed unsuitable for the position following a comprehensive evaluation by the review committee, the Company will handle dismissal procedures in accordance with laws and regulations, ensuring that the management process remains open, orderly, and compliant.

Through clear mechanisms for regularization and termination, the Company ensures transparent and compliant labor-relations management, fostering mutual alignment and long-term development between employees and the organization.

Analysis of Resignation Reasons: MoKingRan places great importance on the management of probationary-period employee departures. Through a collaborative mechanism between departments and HRBP, the Company conducts in-depth analysis of resignation reasons to provide a solid basis for optimizing probationary-period management, enhancing training systems, and improving new-hire retention.

— Department heads conduct systematic analyses of the resignation reasons of employees who leave during the probationary period. Based on these findings, they formulate targeted improvement measures to identify issues in probation management, on-the-job coaching, and training support, thereby promoting stronger new-hire adaptability and improving retention rates.

— During the offboarding process, HRBP conduct exit interviews with probationary-period employees to gain deeper insights into their motivations for leaving. The information is then properly documented in the system and, when necessary, communicated to department heads to support subsequent management improvements and policy refinement.

Through this comprehensive mechanism, the Company continuously enhances its probationary-period management processes, strengthens talent retention capabilities, and fosters mutual growth between the organization and its employees.

- **Protection of Employee Rights and Interests**

MoKingRan strictly complies with national laws and regulations related to compensation, working hours, leave, and other employment matters. The Company has established and implemented internal management policies such as the Performance Management Policy, Attendance and Leave Management Measures, and Employee Benefits Policy to ensure the effective protection of employees' lawful rights and interests, thereby promoting the healthy and sustainable development of both the enterprise and its employees. The Company continuously improves its compensation and benefits system to ensure that employees receive legally mandated protections regarding salary payments, leave arrangements, social insurance contributions, and other benefits and entitlements.

During the Reporting Period, MoKingRan achieved a 100% coverage rate of supplemental insurance for employees, further enhancing their sense of security and overall protection level.

Compensation and Performance Management System:

— Strategy-Driven: Performance management is guided by the Company's overall strategy and key initiatives, aligning with the needs of different stages of corporate development. By cascading and implementing critical tasks, the system ensures the effective achievement of strategic objectives.

— Capability Enhancement: Key performance indicators (KPIs) and key business actions serve as the core metrics for performance assessment. This approach strengthens employees' capability development and business contribution, driving overall organizational effectiveness.

— Contribution-Focused: Value creation and performance outcomes are the primary criteria for evaluation. Performance results are closely linked with incentive mechanisms to ensure appropriate rewards for high contributors, fostering a positive and performance-oriented corporate culture.

— Fair and Just: The system is based on objective data and verifiable behavioural outcomes. It ensures that performance management rules are open, processes are transparent, and results are fair, creating a professional and trustworthy performance management environment.

Attendance and Leave Management:

— Attendance: Attendance records are managed through facial recognition systems and manual attendance when necessary.

— Leave: Leave categories include statutory public holidays, personal leave, compensatory leave, sick leave, marriage leave, bereavement leave, maternity leave, breastfeeding leave, and paid suspension leave.

Employee Benefits Policy:

— Employee benefit: The Company provides employees with benefits including social insurance, housing provident fund contributions, and supplemental medical insurance. Additionally, during national public holidays and other designated occasions, employees receive holiday benefits such as Spring Festival benefits, International Women's Day benefits, and Mid-Autumn Festival benefits. To further enhance employee well-being, the Company has established various benefit programs, including a Filial Piety Fund, family-visit travel allowance, housing subsidies, commuter shuttles, meal allowances, annual health check-ups, and additional leave policies for special circumstances.

- **Elimination of Child Labor and Forced Labor**

MoKingRan strictly complies with national labor laws and regulations and firmly opposes any form of forced labor, child labor, or other illegal employment practices. The Company has established and formally issued policies including the Anti-Child Labor and Forced Labor Policy, the Prohibition of Child Labor Regulations, and the Special Protection Regulations for Underage Workers. These policies clearly stipulate that child labor and forced labor are strictly prohibited in all business operations and supply-chain activities. During the Reporting Period, the Company experienced no incidents involving child labor, forced labor, or any other illegal employment practices.

Recruitment Process Management:

— The Company verifies candidates' age, identity, and other legal qualifications to ensure compliance with the national minimum working-age requirements, thereby preventing child-labor risks at the source.

— Candidate screening, interviewing, and hiring are conducted based on the principles of openness, fairness, and impartiality, ensuring that recruitment decisions are made according to competence and job fit.

— All candidates are required to sign a compliance commitment prior to onboarding, which explicitly prohibits forced labor, illegal employment, and other unlawful labor practices.

— The Company communicates its zero-tolerance stance on child labor and forced labor to external partners and suppliers and enforces these requirements through contractual clauses and review mechanisms.

Through these comprehensive systems and procedures, the Company ensures labor-compliance throughout the employment process and fosters a healthy, fair, and responsible labor-management environment.

Recruitment Channel Management:

— The Company prioritizes direct recruitment channels to reduce reliance on external agencies and minimize compliance risks originating from outsourcing processes.

— When recruitment through external agencies or partners is necessary, the Company requires them to provide valid legal qualifications and compliance certifications, and to sign the Anti-Child Labor and Forced Labor Agreement to ensure full adherence to child-labor and forced-labor prohibitions.

Through these measures, the Company enhances the legality and transparency of the recruitment process, ensuring that all employment practices comply with national regulations and the Company's labor standards, thereby strengthening a responsible employment system.

Employee Training and Awareness Enhancement:

— The Company conducts regular compliance training for HR personnel and recruitment teams. Training topics include identifying child-labor and forced-labor risks, handling suspicious cases, interpreting relevant laws and regulations, and understanding internal policy requirements. At least one company-wide training session is held each year to reinforce compliance awareness and risk-recognition capabilities for critical roles.

— The Company promotes its anti-child-labor and anti-forced-labor policies through internal communications, bulletin boards, email announcements, and other channels to enhance overall employee awareness and strengthen a culture of labor compliance. Case-based sharing is also used to increase sensitivity to potential risks and encourage employees to report suspicious behavior.

Through continuous training and communication, the Company strengthens its labor-compliance management capabilities and fosters a responsible employment environment that resolutely prevents child labor and forced labor.

Establishment of Supervision and Reporting Mechanisms:

— An internal supervision team conducts quarterly inspections and spot checks on recruitment and employment practices. An anonymous reporting hotline and reporting mailbox are provided to employees and external stakeholders. All reports are investigated within 48 hours, and resolved with corresponding corrective actions taken within 30 days.

Comprehensive Policy Evaluation:

— MoKingRan continuously strengthens its anti-child-labor and anti-forced-labor management system by conducting an annual comprehensive review of relevant policies. Updates are made based on changes in applicable laws, regulations, and industry best practices. The Company also tracks policy implementation through key performance indicators (KPIs) and collects feedback via employee satisfaction surveys to evaluate effectiveness and awareness levels. Additionally, the Company actively engages with industry associations and non-governmental organizations to learn from advanced labor-compliance practices, further enhancing its policy framework and execution capabilities to ensure that its labor-standards system remains robust and continuously improved.

- **Diversity and Inclusion**

  Guided by its talent philosophy, MoKingRan actively advances diversity and inclusion management to ensure equal opportunities for all employees across all stages, including recruitment, training, compensation and benefits, and career development. The Company adheres to principles of fair and equal employment, applying all policies consistently regardless of age, gender, or background. At the same time, the company promotes a work-life balance culture and is committed to creating a positive, comfortable, and supportive working environment.

  To ensure pay equity, the Company conducts regular internal evaluations and employee self-assessments, and implements equity-based incentive programs to attract, motivate, and retain high-performing talent. In addition, the Company actively builds diverse teams by recruiting re-employed retirees, interns, and persons with disabilities based on job needs, providing equal employment opportunities for disadvantaged groups. This approach enriches workforce composition and strengthens organizational diversity.

- **Promotion Mechanism**

  Anchored in its core talent development philosophy of "technology leadership, cultural heritage, and digital empowerment", MoKingRan continues to reinforce its brand positioning as a "Chinese High-Purity Fine Gold Jewellery Expert". With a full value-chain layout, the Company cultivates a composite talent system composed of "technical craftsmen +cultural inheritors +digital pioneers". Its vertically integrated operating model — covering the entire chain from gold and jewellery design to production and marketing — provides employees with cross-functional development opportunities. This strategic approach has contributed to the Company's recognition for four consecutive years as one of the "China Brand Top 500" and "Asia Brand Top 500".

  In terms of compensation, promotion, and reward mechanisms, the Company adopts a dual-track promotion system encompassing both "management track + professional expert track". When internal job vacancies arise, the Company prioritizes internal competition and selection, offering employees both horizontal development and vertical advancement opportunities. This system fully leverages internal talent potential and stimulates employees' motivation and creativity. Meanwhile, the Company has established a "Skill Points Bank" to encourage employees to actively participate in learning and training activities and to share technical expertise. This initiative has enabled training resources to cover more than 80% of all job positions, supporting continuous skill development and career growth. In 2025, a total of 16 employees of MoKingRan received promotions, with women accounting for 50%.

- **Employment-related Performance Data**

  For the year 2025, the diversity of employees hiring at MoKingRan and other related performance data is as follows:

Indicator Name		Unit	The Fiscal Year 2025	The Fiscal Year 2024
Total number of employees		Person	1,840	1,884
Number of employees by type of employment	Full-time	Person	1,840	1,884
	Part-time	Person	0	0
Number of employees by gender	Male	Person	994	1,019
	Female	Person	846	865
Number of employees by age group	Under the age of 30	Person	606	613
	Aged 30–50	Person	1,134	1,178
	Over 50 years old	Person	100	93
Number of employees by rank	Management level	Person	13	16
	Middle level	Person	38	39
	Regular	Person	1,789	1,829
Number of employees by region	Within Shandong Province	Person	1,487	1,463
	Outside Shandong Province	Person	353	421
Proportion of minority employees		%	1.03	0.96
Proportion of foreign employees		%	0	0.05
Proportion of women in management positions		%	15.38	20.00
Employee turnover rate		%	30.75	29.12
Employee turnover rate by gender	Male	%	27.34	29.92
	Female	%	25.27	28.16
Employee turnover rate by rank	Management level	%	27.78	23.81
	Middle level	%	24.00	11.36
	Regular	%	26.44	29.46

Indicator Name		Unit	The Fiscal Year 2025	The Fiscal Year 2024
Employee turnover rate by age	Under 30 years old	%	38.48	34.99
	Aged 30–50	%	18.77	26.47
	Over 50 years old	%	15.97	17.70
Employee turnover rate by region	Within Shandong Province	%	25.76	27.43
	Outside Shandong Province	%	28.97	34.42

Note: The formula for calculating employee turnover rate: Turnover ratio = Total number of employees who left during the year/(Number of employees at the end of the year + Number of employees who left at the end of the year).

3.2 Employee Health and Safety

MoKingRan consistently prioritizes the health and safety of its employees. By establishing an environmental, health, and safety (EHS) management system, the Company conducts regular compliance audits. In accordance with laws and regulations such as the Work Safety Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law on the Prevention and Control of Occupational Diseases of the People's Republic of China, the Emergency Response Law of the People's Republic of China, the Shandong Province Work Safety Risk Control Measures, and the Shandong Province Work Safety Hazard Investigation and Rectification Measures, the Company has formulated management systems including the Fire Safety Management System, the Safety Risk Classification Control and Hazard Investigation & Rectification Management System, the Quality/Environmental/Occupational Health and Safety Management Manual, the Work Safety Emergency Management Plan, and the Emergency Response Drill Plan. The Company has obtained ISO45001 Occupational Health and Safety Management certification and established a long-term operational mechanism to ensure safe production. It strictly implements occupational health management requirements and has developed a full-process occupational health management system covering risk identification, hazard notification, protective facilities, health surveillance, and emergency response. Through regular monitoring of hazardous factors, conducting pre-employment and on-the-job occupational health training, distributing protective equipment, and performing occupational health surveillance, the Company effectively prevents occupational disease risks and safeguards employees' health and safety throughout the production process. During its operations, MoKingRan has experienced no major occupational or workplace safety incidents, no work-related employee injuries or fatalities, and has not received any administrative penalties for violations of safety-related laws, regulations, or regulatory documents.

— MoKingRan conducts regular emergency rescue and fire evacuation drills to test the activation procedures of emergency plans, communication and coordination mechanisms, and cross-department collaboration. Through scenario-based simulations, the Company strengthens employees' emergency response capabilities, rescue coordination, and safety risk-avoidance skills, thereby enhancing overall safety management standards and ensuring rapid and effective responses to unexpected incidents.

— A comprehensive safety inspection is conducted once a month, while weekly workshop- and team-level safety morning meetings are held. Employees receive regular safety education, training, inspections, and assessments.

— Employees and special-operation personnel receive phased training on national safety laws and regulations, the Company's safety management systems, and operating procedures for their specific roles, ensuring full coverage of safety education. Newly onboarded employees also undergo company-level safety training.

— Emergency drills are conducted regularly, and related systems are continuously improved. During key periods such as holidays, the Safety Production Month, and rainy or winter seasons, targeted special inspections are carried out. Workshops undergo periodic or ad-hoc safety checks, with an annual plan of conducting no fewer than 50 special inspections aimed at identifying and rectifying safety hazards.

— The Company classifies and explains the definitions and categories of hazards, differentiates hazards from hidden risks, and maintains corresponding records and archives. Warning signage and appropriate emergency response measures are implemented at relevant on-site locations.

— In accordance with the Basic Specifications for Enterprise Work Safety Standardization, the Company enhances safety standardization, regulates production behaviors, and ensures that all production processes comply with applicable work safety laws, regulations, and standards.

— For outsourced teams, the Company provides safety training and examinations to employees of contracting units, informing them of internal safety management systems. Outsourced personnel may commence work only upon passing the required examinations. For major outsourced projects, inspections and supervision are further reinforced, with corresponding records maintained.

The Company organizes emergency drills:

MoKingRan strictly adheres to occupational health management standards and implements comprehensive occupational health protection measures throughout the entire employment cycle—from onboarding to separation. These measures include pre-employment and pre-departure occupational health examinations, annual occupational health monitoring, routine employee health checkups, and the provision of necessary personal protective equipment. The Company regularly carries out occupational health awareness programs through themed seminars and first-aid training sessions delivered by professional physicians, continuously enhancing employees' awareness of occupational disease prevention and their emergency response capabilities. During the Reporting Period, the Company recorded zero occupational disease incidents, effectively ensuring employees' occupational health and safety.

Establishing occupational health management systems	—	Establish occupational health management organizations and develop professional health management systems and operational procedures.
Implementing testing and training	—	Regular detection and assessment of occupational disease hazards are carried out, and occupational health training is organized to enhance employees' awareness of occupational health and protective skills.
Improving warning signs	—	Set up warning signs for occupational disease hazards and Chinese warning instructions to enhance the on-site warning effect.
Implementing protection and notification	—	Ensure personal hygiene and protection measures are in place, fulfil the obligation to inform, which includes contracts, bulletin boards, warnings, hazards of raw materials and equipment, as well as training notifications.
Promoting health checks and declarations	—	Organize staff for occupational health check-ups and promptly report occupational disease hazard items.
Establishing emergency and archive management	—	Develop an emergency rescue plan for occupational disease hazard accidents and implement the relevant facilities, establish occupational health files and health monitoring files.

For the year 2025, the performance data for the health and safety of employees of MoKingRan is as follows:

Indicator Name	Unit	The Fiscal Year 2025	The Fiscal Year 2024
Number of deaths due to work-related accidents	Person	0	0
Proportion of deaths due to work-related accidents	%	0	0
Number of work-related injuries	Person	13	15
Number of working days lost due to work-related injury	Days	117.0	71.5

3.3 Focus on Employee Development

MoKingRan places great emphasis on employee development, recognizing it as a key driver of the Company's sustainable growth. The Company has established a systematic training framework that provides diversified programs—covering technical research and development, management, and other areas—for employees at different levels and business functions. Training topics encompass cutting-edge technologies, the preservation of traditional craftsmanship, digital marketing, and other critical fields. Leveraging performance data, the Company continuously refines its training effectiveness to enhance the precision and impact of talent development.

Adhering to an advanced talent development philosophy, the Company promotes diversity and inclusion, fosters a positive working environment, and ensures fair compensation. It has implemented a dual-track career progression system combining a 'management track + professional expert track'. Through initiatives such as internal competitive selection and the 'Skill Points Bank', the Company encourages employees to unlock their potential, offering diverse and transparent career pathways that support holistic personal development and professional advancement.

- **Employee Training and Talent Development**

  MoKingRan places strong emphasis on talent development and is committed to building a diverse and highly professional workforce. Through a structured and systematic training framework, the Company provides employees with ample space for growth, supporting their development and breakthroughs across various business domains while enhancing the Company's overall competitiveness.

  The Company's training system covers employees at all levels and consists primarily of two major categories: technical research and development training and management training. In terms of technical research and development, the Company leverages advanced technologies and innovation platforms to focus on cultivating highly skilled talent and driving patent-focused research and development, continuously injecting momentum into technological innovation and industrial upgrading. For management training, the Company has established a systematic development framework centered on "strategic leadership", integrating digital tools to enhance management efficiency and data-driven decision-making capabilities, thereby supporting efficient operations and long-term organizational growth.

Technical Research and Development Training:

— ***5G Smart Factory and High-Skilled Talent Development:***
As the first "5G Smart Factory" certified by the Ministry of Industry and Information Technology in China, MoKingRan leverages advanced technologies such as automated robotic arms and intelligent logistics systems to enhance production efficiency by 40%, while maintaining product purity consistently at 999.99%. Supported by its "Digital Workshop System", the Company has established an intelligent manufacturing training base covering cutting-edge technologies such as 3D printing and CNC engraving. The Company has trained more than 200 digital manufacturing technicians, including 47 traditional craftsmen who have successfully transitioned into "digital artisans", laying a solid foundation for the development and reserve of high-skilled talent.

— ***Patent Technology Research and Development Team Development:***
MoKingRan has achieved remarkable results in patent technology research and development, holding 47 invention patents and leading the drafting of 20 national standards and 16 industry standards. The Company continues to expand its research and development team, which has now grown to 111 members. Core team members actively participate in national-level "Torch Program" projects and, through technological innovation, have established solder-free welding technology as an industry benchmark, significantly advancing technological progress across the sector.

Management Training:

MoKingRan has established a three-tier leadership development framework—covering senior, middle, and frontline management—centered on "strategic leadership". This framework is supported by digital leadership tools to comprehensively enhance organizational management capabilities and the quality of decision-making:

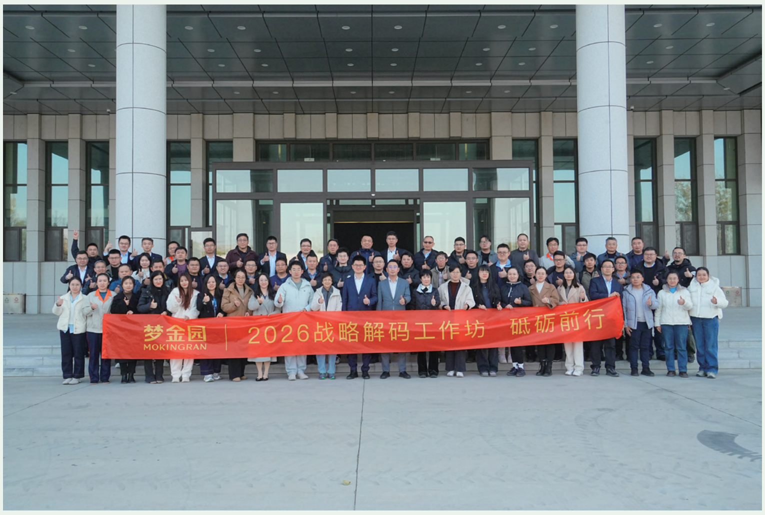
— **Senior Management**
Through the "Strategy Workshop" program, the senior leadership team engages in discussions focused on industry trends and the Company's digital transformation direction. External experts are invited to share cutting-edge insights on global supply chain management, ESG strategy, and related topics, enabling the executive team to build a unified strategic consensus driven by both "intelligent manufacturing + cultural IP".

— **Middle Management**
Through the "Navigator Program", middle managers participate in job rotations across supply chain and market operations, and receive training in project management, goal management, organizational change, innovation, and other themes. These initiatives systematically enhance their comprehensive management capabilities and adaptability.

— **Frontline Management**
By offering team management courses and lean efficiency-improvement training, frontline supervisors learn to flexibly adjust their management styles according to employees' capabilities and motivation levels. This strengthens on-site management effectiveness and supports the achievement of cost-reduction and efficiency-enhancement goals.

Case Study: "Strategic Decoding Workshop"

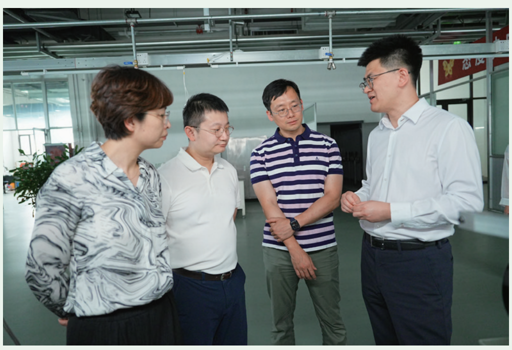
At the end of November 2025, the Company convened a three-day annual strategic workshop. The leadership team, together with heads of business units, functional centers, and key backbone members, engaged in in-depth discussions and strategic alignment, systematically outlining the Company's future development direction, pathways, and key priorities. The workshop once again reinforced the core strategic principles of "product supremacy" and "market orientation". In his concluding remarks, Wang Guoxin, General Manager, emphasized that, regardless of external environmental changes, product strength remains the fundamental basis for the Company's survival and growth. All business units must focus their resources and efforts on enhancing product competitiveness—including craftsmanship, design innovation, iteration speed, and turnover efficiency. At the same time, he stressed the need to decisively shift internal operational mechanisms from "political behavior" to "market-driven operations", ensuring that value creation becomes the ultimate criterion for evaluating all work.



MoKingRan actively explores diversified talent-development pathways, aligning with industry trends and the Company's strategic needs. The Company implements targeted development programs in key areas such as intangible cultural heritage preservation, cultural and creative innovation, digital talent cultivation, and marketing, providing employees with platforms for growth while driving business innovation and diversified development. In the area of intangible cultural heritage and cultural-creative talent development, the Company integrates internal and external resources to build an innovation and practice platform. By deeply combining traditional craftsmanship with modern creative design, MoKingRan nurtures professionals who possess both cultural heritage knowledge and innovative capabilities, revitalizing traditional craftsmanship with contemporary relevance. In response to the trend of digital transformation, MoKingRan focuses on strengthening its digital talent pool and marketing teams. By establishing a diversified development system and innovative operating models, the Company enhances employees' digital marketing competencies and data-driven operational capabilities. This supports the coordinated development of online and offline channels and provides strong talent backing for maintaining competitive advantages in the digital era.

Case Study: Joint Establishment of the "Teaching, Internship, and Practice Base" by the School of Jewellery, China University of Geosciences (Beijing), and MoKingRan — Empowering Innovation in the Jewellery Industry

MoKingRan Gold & Jewellery Group and the School of Jewellery at China University of Geosciences (Beijing) have jointly established a "Teaching, Internship, and Practice Base", marking a significant step forward in the Company's efforts in talent development, cultural heritage preservation, and sustainable development. Through a university–industry collaborative education mechanism, both parties jointly promote the development of practical curricula, shared faculty resources, and talent pipelines, forming an integrated training model that connects "internship–employment–career development", effectively supporting youth employment and professional growth. Leveraging MoKingRan smart manufacturing factory and full-value-chain resources, students gain direct exposure to cutting-edge industry technologies, enabling a deep integration of theory and practice. At the same time, MoKingRan incorporates the provincial-level intangible cultural heritage technique of "gold and silver filigree craftsmanship" into university teaching, using innovative design to revitalize traditional craftsmanship and promoting collaborative innovation between cultural heritage and modern technology. This partnership not only strengthens industry talent reserves and enhances innovation capability but also provides a model for cultural preservation, knowledge transmission, and sustainable talent development. It carries significant value in supporting the creation of globally competitive Chinese jewellery brands.



Case Study: Management Trainee Onboarding Program

MoKingRan continues to deepen its “people-centric” sustainable development philosophy by strengthening corporate culture alignment, fostering professional competence, and supporting the growth of young talent through a systematic new-employee training framework. At the closing ceremony of the new-employee military training program, the management of the Company highly commended the trainees for their discipline, teamwork, and proactive spirit demonstrated throughout the training. The leadership emphasized that responsibility, learning agility, and execution capability are the core drivers of career development. The Company encourages new employees to develop an entrepreneurial mindset and a strong sense of ownership, viewing their roles as platforms for value creation. Through continuous learning and on-the-job practice, they are expected to enhance their professional capabilities and become reliable contributors within their teams. In alignment with standardized development procedures, departments will provide management trainees with diversified job rotations, skill-building opportunities, and clear career pathways to help young employees integrate more quickly into the organization and strengthen their professional competitiveness. Through this comprehensive training and empowerment system, MoKingRan continues to optimize its talent-development ecosystem, cultivate a positive and aspirational workplace culture, and support young employees in achieving meaningful career advancement—ultimately enabling mutual growth for both the Company and its people.

Intangible Cultural Heritage (ICH) Preservation and Cultural Creativity Talent Development — Collaboration with Master Craftsmen:

By partnering with over 100 national-level intangible cultural heritage masters, MoKingRan launched the "Master Craftsman Heritage Series", incorporating traditional techniques such as filigree inlay. The Company has trained more than 40 provincially certified in-house ICH artisans, while the "ICH Innovation Lab" provides over 1,000 training sessions annually, supporting the creation of award-winning artwork on the international stage.

Smart Service and Channel Management Team Development: through an integrated training and development system, the Company has cultivated more than 200 omni-channel operations specialists, enabling a fully closed-loop online-offline sales model. Franchisee satisfaction has reached 90%.

For the year 2025, the performance data for employee training at MoKingRan is as follows:

Indicator Name		Unit	The Fiscal Year 2025	The Fiscal Year 2024
Percentage of trained employees[9]		%	100	100
Proportion of trained employees by gender	Male[10]	%	100	100
	Female	%	100	100
Proportion of trained employees by rank	Senior employees	%	100	100
	Middle employees	%	100	100
	Junior employees	%	100	100
Total training hours for employees		Hours	33,982	32,862
Average training hours for employees		Hour per person	18.47	17.44
Average training hours divided by gender	Male	Hour per person	17.46	17.09
	Female	Hour per person	19.65	21.17
Average training hours divided by rank	Senior employees	Hour per person	36.92	21.33
	Middle employees	Hour per person	16.84	20.09
	Junior employees	Hour per person	18.37	16.68

9 Percentage of trained employees = Number of trained employees/Total number of employees.

10 Training percentage of a certain category of employees = Number of employees trained in that category/Total number of employees trained in that category.

3.4 Effective Employees Care

MoKingRan consistently places strong emphasis on employee care, actively building effective communication channels and genuinely addressing employees' interests. The Company has established a General Manager's Mailbox to ensure that employees' opinions and suggestions are heard and responded to in a timely manner. When formulating policies that relate to employees' vital interests, the Company fully solicits employee feedback to ensure that such policies are scientific, reasonable, and practical in implementation.

In terms of employee welfare and care, MoKingRan continues to promote activities related to the Filial Piety Fund and successfully held the 13th Filial Piety Fund Award Ceremony. The Company invited employees' family members to participate in interactive activities such as lucky draws, ensuring that both employees and their families genuinely feel valued and cared for. Through these tangible actions, the Company supports employees' family well-being and fosters a warm, respectful, and inclusive work environment where employees feel a strong sense of belonging.

Case Study: The 13th Annual Filial Piety Fund Distribution Ceremony Was Successfully Held

The Group has always placed great importance on employee well-being and family support, continuously advancing a humanistic care system centered on the value of "filial piety". Through the long-standing Filial Piety Fund Program, the Group provides sustained emotional support and welfare benefits to employees and their families. In 2025, the Group successfully held the 13th Filial Piety Fund Award Ceremony, inviting nearly a thousand employees and their family members, further strengthening the connection between the Company and employees' families and fostering a culture in which "the enterprise and families grow together". The Filial Piety Fund aims to offer employees a platform to express gratitude to their parents, symbolizing the Company's respect for the parents of its employees. During the event, the Group's leadership interacted face-to-face with employees and their families, showing care for their home lives and acknowledging their support for the Company's development. In addition to the fund distribution, the ceremony featured sessions such as cultural performances, family-sharing sessions, raffles for elderly-friendly household products, further enhancing employees' sense of family well-being and belonging within the company. Over the years, the Filial Piety Fund has become a defining element of the Group's culture, strengthening team cohesion while promoting social values of respecting the elderly, honoring family, gratitude, and mutual support. Looking ahead, the Group will continue advancing its employee care initiatives, fostering a more inclusive, warm, and secure working environment where corporate achievements are shared with employees and their families, contributing to employees' long-term physical, mental, and emotional well-being.


梦金园
MOKINGRAN
孝行天下·聚梦金园
一等奖
梦金园黄金珠宝集团第13届孝心基金发放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2025年度梦金园黄金珠宝集团第13届孝心基金发放仪式


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4. JOIN HANDS IN COOPERATION FOR A WIN-WIN FUTURE

MoKingRan has established a standardized management system covering supply chain, procurement, quality control, labeling management, and whistleblowing mechanisms. Through end-to-end quality assurance, transparent procurement processes, and robust internal supervision systems, the Company strengthens product safety, supply chain responsibility, and corporate governance. These measures support ongoing compliance, integrity, and sustainable operational development.

4.1 Supply Chain Management

Supply chain management is a critical component of the Group's core competitiveness. MoKingRan recognizes that an efficient, transparent, and sustainable supply chain system not only ensures stable product supply and enhances operational efficiency but also forms the foundation for sustainable development. The Company is committed to building a compliant and transparent supplier management system. Through qualification reviews, performance evaluations, and tiered supplier management, MoKingRan strengthens supply chain responsibility and ensures that partners meet the Company's standards in quality, safety, compliance, and integrity.

To enhance supply chain governance and product quality, the Company has established strict sampling inspection mechanisms, fineness-testing procedures, whistleblowing and reporting feedback channels. These multidimensional supervision measures help prevent risks and increase management transparency. Meanwhile, the Company continues to deepen cooperation with suppliers by optimizing collaboration mechanisms and building capabilities, jointly establishing a resilient, competitive, and sustainable supply chain system. These efforts lay a solid foundation for the Company's long-term and steady development.

Supplier Selection

MoKingRan places great importance on supplier management and has established the Supplier Management System. The Procurement Department is responsible for supplier selection, evaluation, and development, with approvals conducted by the Procurement Manager to ensure that all supply chain management processes strictly follow internal regulations.

During the supplier selection stage, the Company conducts comprehensive information reviews and capability assessments of potential suppliers. Key evaluation factors include product supply stability, product quality, technical capabilities, production equipment standards, management systems, financial standing, and business reputation. Supplier assessment covers dimensions such as operational performance, delivery capability, technical competence, quality control, and pricing. Their performance is continuously monitored to ensure long-term stability and reliability.

For supplier performance management, the Company has established a systematic evaluation mechanism. Feedback from user departments—such as product quality, usage experience, and after-sales service—is incorporated into a comprehensive scoring system. Performance data is recorded and managed in real time through the SRM system, strengthening supply chain transparency and management efficiency. At the supplier admission stage, the Company prioritizes partners that provide environmentally friendly products and services, in order to promote sustainable supply chain development and enhance overall social and environmental responsibility.

Case Study: MoKingRan Use of the SRM System for Supplier Performance Management (SRM)

Procurement staff manage the supplier lifecycle within the SRM system.

The Procurement Department is responsible for maintaining supplier information in the SRM system. When any supplier-related information changes, updates must be made in the system within five working days upon receiving the notification.

The Procurement Department is also responsible for establishing supplier evaluation files, with support from the relevant user departments. Each selected supplier must be thoroughly and carefully evaluated. Based on the actual usage of purchased materials, user departments assess qualified suppliers and assist the Procurement Department in building and maintaining supplier documentation.

Supplier Evaluation

MoKingRan continuously monitors supplier performance and potential risks to build a high-quality and sustainable supply chain system. Through multiple supervision and evaluation measures, the Company enhances suppliers' product quality and environmental performance. The Procurement Department maintains a complete file for each supplier, including the "Supplier Questionnaire", "Supplier Evaluation Form", and qualification documents, with a focus on key areas such as environmental compliance and business reputation to ensure comprehensive and transparent supplier management.

The Company implements a rigorous and efficient supplier audit process, covering critical steps such as setting evaluation cycles, defining scoring templates, and managing evaluators. Once a new evaluation project is submitted, the scoring process is initiated and a complete evaluation record is automatically generated. Upon completion, the system consolidates and publishes the results, allowing suppliers to promptly review their performance.

In terms of grading methodology, MoKingRan adopts a broad and detailed assessment framework, with evaluation criteria including industry standing, delivery accuracy, after-sales service capability, and price competitiveness. Only suppliers who meet the required scoring standards are included in the qualified supplier management system, ensuring supply chain stability, product quality, and long-term sustainability from the source.

For the year 2025, MoKingRan implemented the policies and practices regarding supplier recruitment and management for all our suppliers. Other performance data in supplier management is as follows:

Indicator Name	Unit	The Fiscal Year 2025	The Fiscal Year 2024
Total number of suppliers	/	1,387	1,387
Among them: The number of suppliers in mainland China	/	1,341	1,380
Number of suppliers in the Hong Kong, Macau, and Taiwan regions	/	25	1
Number of suppliers in overseas regions	/	21	6
Number of practices implemented with suppliers	/	1,387	1,387

Procurement Management

To strengthen the management of procurement operations, establish clear procedural guidelines, prevent misconduct during the procurement process, reduce procurement costs, and improve the overall quality and economic efficiency of procurement activities, the Company formulated the Procurement Management Measures in April 2025. These measures apply to material procurement across all subsidiaries within the Group.

For general materials—including all production raw materials, auxiliary materials, spare parts, low-value consumables, safety supplies, cafeteria supplies, infrastructure materials, asset procurement, and expense-related procurement—MoKingRan adheres to the principles of "transparency, competitive comparison, integrity, and anti-corruption". Dedicated departments are responsible for managing approval authority, procurement applications, and procurement pricing to ensure standardized and compliant procurement processes.

Responsible Purchasing

MoKingRan is committed to building a transparent, sustainable, and ethically responsible procurement system. Through strict supplier screening mechanisms, optimized procurement processes, and sustainable supply chain initiatives, the Company ensures that all procured products and services not only meet quality requirements, but also comply with environmental, social, and ethical standards. Together with its suppliers, the Company works to develop a sustainable supply chain that enhances overall resilience and competitiveness.

Over the years, MoKingRan has established a stable supply network for core raw materials such as gold and diamonds. Aside from major raw materials, the Company procures only small quantities of finished goods and components when necessary, representing a very low share of total procurement. In accordance with internal policies, the Procurement Department conducts comprehensive assessments of newly selected suppliers and performs regular qualification reviews, removing non-compliant suppliers in a timely manner to ensure that all external partners continuously meet company standards. During the Reporting Period, the Company experienced no shortages of raw materials and does not anticipate any significant supply chain constraints that would affect future business performance.

To prevent risks related to conflict minerals and human rights violations, the Company strengthens raw-material source management by enhancing transparency and traceability, ensuring that all materials originate from lawful, compliant, and non-conflict regions. MoKingRan is a member of the Shanghai Diamond Exchange and exclusively sources diamonds through this channel, ensuring full legal and ethical compliance from the source. All gold raw materials are procured as standard gold ingots through the Shanghai Gold Exchange or its accredited refining enterprises. During the Reporting Period, the Company reported no diamond-related disputes.

In terms of green supply chain practices, the Company pays close attention to the environmental impact of packaging materials, particularly potential greenhouse gas emissions and the use of toxic chemicals. MoKingRan prioritizes environmentally friendly packaging materials to reduce packaging waste and mitigate downstream environmental impacts, fulfilling its environmental responsibilities and driving green transformation throughout the supply chain.

4.2 Community Development

Public Welfare Activities

During the year, the Company co-hosted the 3rd "Dreamgold Cup" Arts and Crafts Expo themed "Artistry with Heart for the Party", in collaboration with the Weifang Municipal Bureau of Industry and Information Technology, the Weifang Municipal Bureau of Culture and Tourism, and the Weifang Arts and Crafts Association, among other government and industry institutions. The event aimed to promote outstanding traditional Chinese culture and support the development of local cultural and creative industries. Integrating artwork exhibitions, artisan exchanges, and public cultural experiences, the expo contributed to the inheritance and innovation of regional arts and crafts, strengthened cultural prosperity, and enriched community cultural vitality. This initiative further demonstrated the Company's commitment to cultural heritage preservation and the co-creation of social value.

MoKingRan consistently fulfills its corporate social responsibility by actively participating in various public welfare and charitable initiatives. Through donations of materials, support for education, involvement in community development, and promoting sustainability projects, the Company endeavors to give back to society, support vulnerable groups, and contribute to long-term social well-being. In May 2025, the Company donated equipment valued at RMB465,260 (book value RMB284,062.99) to Changle Technician College in Shandong Province through Shandong Yifu, supporting the enhancement of educational facilities. In August 2025, the Company donated RMB300,000 to the Weifang Huashi Education Foundation to further advance education-related charitable efforts. In December 2025, the Company (Shan Meng) contributed RMB260,000 to the Shandong Provincial Public Security Police Support Foundation to support welfare programs for police officers and donated an additional RMB60,000 to the Changle County Charity Federation for local public welfare initiatives.

Case: Donation of Precision Equipment to Support Shandong Changle Technician College in Training "Intelligent Manufacturing Artisans"

MoKingRan donated five carving-milling precision machines to Shandong Changle Technician College. The donation ceremony was held ceremoniously at the college's "Craftsman Academy", providing advanced practical teaching conditions for key programs such as jewellery design and precision processing. The introduction of this equipment has significantly strengthened the college's practical training system, enhanced the alignment between vocational education and industry needs, and effectively improved students' hands-on skills and employment competitiveness. The project was jointly advanced by the government, the school, and the enterprise, and has been recognized locally as a model example of industry-education integration. The ceremony was attended by GUO Xuemei, Standing Committee Member of the Changle County Party Committee and Deputy County Mayor; WANG Zhongshan, Chairman of MoKingRan; LIU Jinguo, Member of the Party Leadership Group and Deputy Director of the County Civil Affairs Bureau; TIAN Guojun, Party Secretary and President of Shandong Changle Technician College; along with more than 500 faculty and student representatives who witnessed the event.

Industry Development

MoKingRan is committed to advancing the prosperity and growth of the gold and jewellery industry. By building a fully integrated value-chain operating model, the Company strives to create a world-class gold and jewellery brand with international influence, showcasing China's unique aesthetic heritage and exceptional craftsmanship.

Industry Collaboration

MoKingRan actively participates in national and regional industry associations and continues to contribute to the development of national, industry, and group standards within the gold and jewellery sector. Through its practical experience and expertise, the Company helps promote industry standardization and high-quality development.

Extensively Participate in Industry Associations

List of Industry Associations
China Gold Association Vice President
China Gem & Jewellery Trade Association Vice President
Shandong Province Gem & Jewellery Trade Association President
Shandong Province Arts and Crafts Association Vice President
Weifang City Arts and Crafts Association
Weifang Intangible Cultural Heritage Protection Association

Industry Standard Name

"Chemical Analysis Methods for Rhodium Sulfate — Determination of Impurity Contents of Copper, Lead, Zinc, Platinum, Nickel, Iron, Cadmium, and Aluminium — Inductively Coupled Plasma Atomic Emission Spectrometric Method" YS/T 1782.1-2025

"Chemical Analysis Methods for Rhodium Sulfate — Determination of Rhodium Content Hexaamminecobalt (III) Nitrate Gravimetric Method" YS/T 1781.3-2025

"Methods for Chemical Analysis of Precious Metal Alloys — Part 2: Determination of Platinum Content — Potassium Permanganate Potentiometric Titration Method" YS/T 372.2-2025

"Methods for Chemical Analysis of Precious Metal Alloys — Part 19: Determination of Yttrium Content — Inductively Coupled Plasma Atomic Emission Spectrometric Method" YS/T 372.19-2025

"Methods for Chemical Analysis of Precious Metal Alloys — Part 16: Determination of Gallium Content — Inductively Coupled Plasma Atomic Emission Spectrometric Method" YS/T 372.16-2025

"Chemical Analysis Methods for High-temperature Shape Memory Alloys — Part 3: Determination of Cobalt, Copper, Chromium, Iron, Niobium and Nickel Contents — Inductively Coupled Plasma Atomic Emission Spectrometric Method" YS/T 1767-2025

"Sodium Gold(I) Sulfite Solution" YS/T 1767-2025

Actively participate in the development of standards

"Methods for Chemical Analysis of Precious Metal Alloys — Part 1: Determination of Gold Content" GB/T15072.1-2025

"Methods for Chemical Analysis of Precious Metal Alloys — Part 2: Determination of Silver Content" GB/T15072.2-2025

"Methods for Chemical Analysis of Precious Metal Alloys — Part 3: Determination of Platinum Content" GB/T15072.3-2025

"Methods for Chemical Analysis of Precious Metal Alloys — Part 4: Determination of Palladium Content" GB/T15072.4-2025

"Methods for Chemical Analysis of Precious Metal Alloys — Part 20: Determination of Rhodium Content" GB/T15072.20-2025

"Methods for Chemical Analysis of Precious Metal Alloys — Part 6: Determination of Iridium Content" GB/T15072.5-2025

Industry Standards	"Chemical Analysis Methods for rhodium sulfate — Determination of Impurity Contents of Copper, Lead, Zinc, Platinum, Nickel, Iron, Cadmium, and Aluminium — Inductively Coupled Plasma Atomic Emission Spectrometric Method" YS/T 1782.1-2025
	"Chemical Analysis Methods for rhodium sulfate — Determination of Rhodium Content — Hexaamminecobalt (III) Nitrate Gravimetric Method" YS/T 1781.3-2025
	"Methods for Chemical Analysis of Precious Metal Alloys — Part 2: Determination of Platinum Content — Potassium Permanganate Potentiometric Titration Method" YS/T372.2-2025
	"Methods for Chemical Analysis of Precious Metal Alloys — Part 19: Determination of Yttrium Content — Inductively Coupled Plasma Atomic Emission Spectrometric Method YS/T372.19-2025
	"Methods for Chemical Analysis of Precious Metal Alloys — Part 16: Determination of Gallium Content — Inductively Coupled Plasma Atomic Emission Spectrometric Method YS/T372.16-2025
	"Chemical Analysis Methods for High-temperature Shape Memory Alloys — Part 3: Determination of Cobalt, Copper, Chromium, Iron, Niobium and Nickel Contents — Inductively Coupled Plasma Atomic Emission Spectrometric Method" YS/T1767-2025
Group Standards	"Sodium Gold(I) Sulfite Solution" YS/T1767-2025
	"Chemical Analysis Methods for High Purity Gold" T/SDAS 4-2016
	"Traditional gold jewellery" T/CGA019-2021

ESG INDEX TABLE

ESG Code	Description	Disclosure/remarks
A. Environment		
A1: Emissions		
General Disclosure	Information regarding emissions of waste gases and greenhouse gases, discharge into water and land, generation of hazardous and non-hazardous waste, etc.: (a) Policies; and (b) Information on compliance with laws and regulations that have a significant impact on the issuer. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	Emission Management
A1.1	The types of emissions and respective emissions data.	Emission Management
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission Management
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission Management
A1.5	Description of emission target(s) set and steps taken to achieve them.	Emission Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Management, Emissions Management
A2: Use of Resources		
General Disclosure	Policies on the effective use of resources (including energy, water, and other raw materials). Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Resource Utilization, Impact of Climate Change
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Resource Utilization, Impact of Climate Change
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resource Utilization
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Management, Resource Utilization
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Management, Resource Utilization
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Resource Utilization

ESG Code	Description	Disclosure/remarks
A3: The Environment and Natural Resources		
General Disclosure	Policies to reduce the significant impact of the issuer on the environment and natural resources.	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Resource Utilization
B. Society		
B1: Employment		
General Disclosure	Information relating to compensation and termination, recruitment, and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and other treatment and benefits: (a) Policies; and (b) Information on compliance with laws and regulations that have a significant impact on the issuer.	Building a Harmonious Team
B1.1	Total workforce by gender, employment type (for example, full or part-time), age group and geographical region.	Building a Harmonious Team
B1.2	Employee turnover rate by gender, age group and geographical region.	Building a Harmonious Team
B2: Health and Safety		
General Disclosure	Regarding the provision of a safe working environment and the protection of employees from occupational hazards: (a) Policies; and (b) Maintain information about the relevant laws and regulations that have a significant impact on the issuer.	Employee Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	Not Occurred
B2.2	Lost days due to work injury.	Employee Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Health and Safety
B3: Development and Training		
General Disclosure	Policies regarding enhancing the knowledge and skills of employees in performing their job duties, describing training activities Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Focus on Employee Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Focus on Employee Development

ESG Code	Description	Disclosure/remarks
B3.2	The average training hours completed per employee by gender and employee category.	Focus on Employee Development
B4: Labor Standards		
General Disclosure	Information relating to the prevention of child labour or forced labour: (a) Policies; and (b) Information on compliance with laws and regulations that have a significant impact on the issuer.	Building a Harmonious Team
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Building a Harmonious Team
B4.2	Description of steps taken to eliminate such practices when discovered.	Building a Harmonious Team
B5: Supply Chain Management		
General Disclosure	Policy on Managing Environmental and Social Risks in the Supply Chain.	Supply Chain Management
B5.1	Number of suppliers by geographical region.	Supply Chain Management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6: Product Responsibility		
General Disclosure	Information relating to the health and safety, advertising, labelling, privacy matters, and remedies of the provided products and services: (a) Policies; and (b) Information on compliance with laws and regulations that have a significant impact on the issuer.	Product Responsibility
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable

ESG Code	Description	Disclosure/remarks
B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Product Responsibility
B7: Anti-corruption		
General Disclosure	Information relating to the prevention of bribery, extortion, fraud, and money laundering: (a) Policies; and (b) Information on compliance with laws and regulations that have a significant impact on the issuer.	Business Ethics
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics
B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities in which they operate and to ensure that their business activities consider community interests.	Community Development
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Development
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Development

Part D: Climate-related Disclosures		Disclosure/remarks
Governance	19(a) An issuer shall disclose the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies.	Impact of Climate Change
	19(b) An issuer shall disclose the management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Impact of Climate Change

Part D: Climate-related Disclosures			Disclosure/remarks
Strategy	20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Impact of Climate Change
	21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Impact of Climate Change

Part D: Climate-related Disclosures		Disclosure/remarks
22(a)	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40.	Impact of Climate Change
22(b)	An issuer shall disclose information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Impact of Climate Change
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Impact of Climate Change
24	a. An issuer shall disclose qualitative and quantitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	For qualitative information: Impact of Climate Change
	b. An issuer shall disclose qualitative and quantitative information about the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	For quantitative information: Financial Effects Relief Adopted

Part D: Climate-related Disclosures	Disclosure/remarks
25(a) The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy.	For qualitative information: Impact of Climate Change For quantitative information: Financial Effects Relief Adopted
25(b) The issuer shall provide qualitative and quantitative disclosures about how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Financial Effects Relief Adopted
26(a) An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.	Capabilities Relief Adopted

Part D: Climate-related Disclosures			Disclosure/remarks
	26(b)	An issuer shall disclose how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: 1. which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; 2. whether the analysis included a diverse range of climate-related scenarios; 3. whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; 4. whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; 5. why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; 6. time horizons the issuer used in the analysis; and 7. what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	Capabilities Relief Adopted
Risk Management	27(a)	An issuer shall disclose information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: i the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); ii whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; iii how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); iv whether and how the issuer prioritises climate-related risks relative to other types of risks; v how the issuer monitors climate-related risks; and vi whether and how the issuer has changed the processes it uses compared with the previous reporting period.	Impact of Climate Change

Part D: Climate-related Disclosures		Disclosure/remarks
	27(b) An issuer shall disclose information about the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	Impact of Climate Change
	27(c) An issuer shall disclose information about the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Impact of Climate Change
Metrics and Targets	28 An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	For Scope 1 & 2: Impact of Climate Change For Scope 3: Reasonable Information Relief Adopted
	29 An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Impact of Climate Change

Part D: Climate-related Disclosures		Disclosure/remarks
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable Information Relief Adopted
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable Information Relief Adopted
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable Information Relief Adopted
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Impact of Climate Change
34	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	The Group did not implement internal carbon prices in decision-making during the Reporting Period.

Part D: Climate-related Disclosures		Disclosure/remarks
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group did not include climate-related considerations which are factored into remuneration policy during the Reporting Period
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks	Impact of Climate Change
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Impact of Climate Change

Part D: Climate-related Disclosures		Disclosure/remarks
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Impact of Climate Change
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Impact of Climate Change
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and	Impact of Climate Change

Part D: Climate-related Disclosures			Disclosure/remarks
	(e)	the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).		Reasonable Information Relief Adopted

CORPORATE GOVERNANCE REPORT

The Board is pleased to report to the Shareholders on the corporate governance report of the Company for the year ended December 31, 2025.

CORPORATE GOVERNANCE PRACTICES

The Board recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Group has adopted and applied corporate governance practices based on the principles and code provisions as set out in the CG Code as contained in Appendix C1 to the Listing Rules as the Company's own code of corporate governance practices.

The Board is of the view that during the Reporting Period, the Company has complied with all the applicable code provisions as set out in Part 2 of the CG Code, as well as the majority of the recommended best practices requirements. The Board will continue to review and monitor its code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors who, because of their office or employment, are likely to possess inside information in relation to the Company or the Company's securities.

The Company has maintained a system in monitoring the dealings of the Company's securities by Directors (including a notification mechanism) to ensure compliance with the Model Code. In particular, the Company will notify all Directors the blackout period before the commencement of such blackout period, reminding the Directors not to deal in the Company's securities during the blackout periods before the announcement of results. The Board is of the view that the guidelines and procedures for the Directors' dealings of securities in the Company are adequate and effective.

Having made specific enquiries to all the Directors, they confirm that they have complied with the required standards as set out in the Model Code during the Reporting Period.

BOARD OF DIRECTORS

The Company is headed by the Board which oversees the Company's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board regularly reviews the contribution required from a director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them that are commensurate with his/her role and the responsibilities of the Board.

The terms of reference of the committees under the Board specify that the Directors may invite experts, scholars, intermediary agencies and relevant personnel to attend the meetings to explain and describe the issues to be discussed at the meetings if necessary. Such invitations are at the Company's expense to ensure that the Directors are given independent views and opinions. The Board has reviewed these mechanisms to ensure their effective implementation.

The executive Directors of the Company earnestly perform the dual responsibilities of decision-making and implementation, actively implement the decisions of the general meeting and the Board, and effectively play the role of a bond between the Board and the management. The independent non-executive Directors of the Company carefully study the development strategy and business strategy of the Company, and provides independent opinion and judgement to the Board.

During the Reporting Period, the independent non-executive Directors of the Company contributed significantly in improving the Company's corporate governance structure and protecting the interests of the Company's minority Shareholders.

Board Composition

As of the date of the report, the Board comprised seven Directors, consisting of four executive Directors and three independent non-executive Directors as follows:

Executive Directors
Mr. WANG Zhongshan *(Chairman)*
Ms. ZHANG Xiuqin
Mr. WANG Zegang *(Employee representative Director)*
Mr. WANG Guoxin

Independent Non-executive Directors
Mr. BAI Xianyue
Mr. WENG Xin
Mr. DING Xiaodong

The biographical information of the Directors, including the relationships among the members of the Board and the relationship between the chairman and general manager of the Company, is set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Except for the relationships between the Directors set forth in the respective Director's biography under the section headed "Biographical Details of Directors and Senior Management" of this annual report, the Directors do not have financial, business, family or other material/relevant relationships with one another.

Chairman and chief executive officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman of the Board and general manager should be separate and should not be performed by the same individual.

During the Reporting Period, the chairman of the Board and general manager of the Company are held by Mr. WANG Zhongshan and Mr. WANG Guoxin respectively, thus we have complied with code provision C.2.1 of the CG Code. The division of responsibilities between the chairman of the Board and the general manager has been clearly established.

Independent non-executive Directors

During the Reporting Period, the Board at all times fulfilled the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Appointment and re-election of Directors

Directors (including executive Directors and independent non-executive Directors) shall be elected at the general meeting for a term of three years. The Board is eligible for re-election upon expiry of the term of office.

Corporate culture

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. A strong culture enables the Group to deliver long-term sustainable performance.

The Company has established a corporate culture development team led by the chairman of the Company, which has comprehensively reviewed and improved the corporate culture system. It has identified the corporate spirit of "pursuing excellence and contributing to society", the corporate mission of "talent as the foundation, stability as the base, innovation as the driving force, and development as the goal", the corporate mission of "driving the development of the gold jewellery industry with technological innovation to make you and me more beautiful" and the development vision of "becoming a world-class gold jewellery industry leader".

Each functional department, while embracing the Company's core culture, has built its own distinctive team culture concepts, fostering unity and synergy among employees. The Company widely disseminates its culture through training, employee forums, corporate culture manuals, employee handbooks, internal websites, and training sessions, and it gathers insights into employees' understanding and acceptance of the corporate culture through satisfaction surveys.

Furthermore, the Company conveys its culture to customers and stakeholders through customer visits, newsletters, and inviting key clients and suppliers to visit and exchange ideas. The Company has also established a corporate culture evaluation index system, conducts regular evaluations, and uses the results as a basis for further strengthening and improving the construction of corporate culture.

Responsibilities of the Directors

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, or indirectly through its committees, leads and provides direction to senior management by laying down strategies and overseeing their implementation, monitors the Company's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses, for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. The management is responsible for implementing the decisions of the Board, guiding and coordinating the daily operation and management of the Company.

The Company will conduct a formal assessment of the Board's performance every two years and intends to conduct a formal assessment of the Board's performance by the end of 2027.

Continuous professional development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director will receive formal, comprehensive and tailored training upon his/her appointment to ensure good understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should also participate in appropriate continuous professional development to develop and refresh their knowledge and skills. The Company provides talks, seminars and online trainings for Directors and reading material on relevant topics. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended December 31, 2025, all Directors participated in director training conducted by Jia Yuan Law Offices, covering topics such as the duties of directors of listed companies and corporate governance. Relevant reading materials including legal and regulatory update were provided to the Directors for their reference and studying, in a timely manner. Directors further supplemented their learning by accessing environmental, social and governance training courses through the Hong Kong Stock Exchange's online resource centre as and when necessary.

The record of continuous professional development relating to Director's duties and regulatory and business development that have been received by the Directors for the year ended December 31, 2025 is summarized as follows:

Directors	Total number of hours	Types of training note	Training content
Executive Directors			
Mr. WANG Zhongshan	10	A, B	Director Responsibilities, Corporate Governance, Legal and Regulatory Updates, ESG Matters
Ms. ZHANG Xiuqin	10	A, B	Director Responsibilities, Corporate Governance, Legal and Regulatory Updates, ESG Matters
Mr. WANG Guoxin *(appointed with effect from May 16, 2025)*	24	A, B	Director Responsibilities, Corporate Governance, Legal and Regulatory Updates, ESG Matters
Mr. WANG Zegang	10	A, B	Director Responsibilities, Corporate Governance, Legal and Regulatory Updates, ESG Matters

Directors	Total number of hours	Types of training note	Training content
Independent Non-Executive Directors			
Mr. BAI Xianyue	10	A, B	Director Responsibilities, Corporate Governance, Legal and Regulatory Updates, ESG Matters
Mr. WENG Xin *(appointed with effect from May 16, 2025)*	24	A, B	Director Responsibilities, Corporate Governance, Legal and Regulatory Updates, ESG Matters
Mr. DING Xiaodong *(appointed with effect from May 16, 2025)*	12	A, B	Director Responsibilities, Corporate Governance, Legal and Regulatory Updates, ESG Matters

Note:

Types of Training

A: Attending training sessions, including but not limited to, talks, seminars and online trainings

B: Reading relevant training materials, news alerts, newspapers, journals, magazines and relevant publications

Board Diversity Policy

The Board has adopted a board diversity policy ("**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of the Board in order to enhance its effectiveness. Pursuant to the Board Diversity Policy, diversity in the Board is achieved through the consideration of a number of factors when selecting candidates to the Board, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage and enhancing its ability to attract talents and to retain and motivate employees. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Directors have a balanced mix of knowledge and skills, including in management, strategic and business development, research and development, sales and marketing, legal compliance and corporate finance. They obtained degrees in various disciplines and with experience from different industries and sectors.

As of the date of this report, the Board of the Company consists of 7 Directors, including three independent non-executive Directors. The ages of the Directors range from 36 years old to 62 years old, and we have both male and female representatives on the Board. The Nomination Committee will review and assess the composition of the Board and make recommendations to the Board on appointment of members of the Board. The Board will take opportunities to increase the proportion of female members when selecting and making recommendations on suitable candidates for Board appointments. The Group will also ensure that there is a gender diversity when recruiting staff at the mid to senior levels so that there are female senior management and potential successors to Directors going forward.

An analysis of the Board's current composition based on the measurable objectives is set out below:

Gender:
- Male: 6 Directors
- Female: 1 Director

Age Group:
- 31–40: 1 Director
- 41–50: 2 Directors
- 51–60: 3 Directors
- 61 or above: 1 Director

Designation:
- Executive Directors: 4 Directors
- Independent non-executive Directors: 3 Directors

Educational Background:
- Business administration: 2 Directors
- Accounting and finance: 3 Directors
- Legal: 1 Director
- Manufacturing: 1 Director

Nationality
- Chinese: 7 Directors

Business Experience:
- Gold jewellery production: 3 Directors
- Corporate management and Governance: 5 Directors
- Accounting and finance: 3 Directors
- Legal: 1 Director

The Nomination Committee is of the view that the current Board fully demonstrates diversity in terms of skills, experience, knowledge, independence, gender, age, etc., and the Board satisfies the Board Diversity Policy. The Nomination Committee is responsible for reviewing the diversity of the Board. The Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness.

We respect the gender, age and ethnicity of each person. As of December 31, 2025, approximately 46% of full-time employees (including senior management) were female, while approximately 54% were male; currently, all members of senior management (excluding Directors) are male. We will continue to focus on embracing diversity within the Company and equal and respectful treatment of all of our employees in their hiring, training, wellness and professional and personal development. To this end, we have adopted policies on compensation, dismissal, equal opportunities, diversity and antidiscrimination. Accordingly, the Company gives each job applicant an equal job opportunity and we have an internal policy in place to ensure that there is no discrimination as to gender, age and ethnicity. In addition, we have stipulated in the internal guidelines that decision in relation to human resource management, which include but not limited to promotion, salary increment and dismissal within the Company would be based solely on the employee's performance, experience and capability. While we strive to provide equal career opportunity for everyone, we will also continue to promote work-life balance and create a happy culture in our workplace for all of our employees.

The Nomination Committee assessed the time commitment of each Director for the year 2025 based on their respective functions within the Company. Executive Directors are fully dedicated to the business of the Company and/or its subsidiaries on a full-time basis. Independent non-executive Directors actively attended all general meetings, meetings of the Board and its committees, and also proactively paid close attention to and engaged in the Company's day-to-day decision-making processes. The Nomination Committee is of the view that each Director has devoted sufficient time to effectively discharge their duties as a Director of the Company.

Nomination policy

The Company has adopted a nomination policy which sets out the objectives, selection criteria and nomination procedures for identifying and recommending candidates for appointment or reappointment of Directors. Any Shareholders individually or jointly holding more than 3% of the shares of the Company may, by way of a written proposal, put forward to the shareholders' general meeting the nomination of candidates for Directors, and the nominators shall provide the biographical details and basic information of the candidates for Directors (such as educational background, work experience, relationship with the Company and its Controlling Shareholders and de facto controllers, shareholding of the Company, and whether they have been disciplined by relevant government departments). In accordance with the relevant laws, administrative regulations, regulatory documents of the PRC, the listing rules of the stock exchange where the Company's securities are listed and the relevant regulatory rules and the Articles of Association, the personal information of the nominated candidates for Directors shall be disclosed in due course for the Shareholders' consideration and voting at the general meeting.

BOARD COMMITTEES

The Board has established four committees, namely, the Strategy and Sustainability Committee, the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee, which are responsible for specific affairs of the Company respectively, and providing consultation or recommendations in relation to decision-making of the Board.

All Board Committees are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Hong Kong Stock Exchange's website and are available to Shareholders.

Strategy and Sustainability Committee

The Strategy and Sustainability Committee consists of four executive Directors and one independent non-executive Director, namely Mr. WANG Zhongshan, Ms. ZHANG Xiuqin, Mr. WANG Guoxin, Mr. WANG Zegang and Mr. BAI Xianyue. Mr. WANG Zhongshan is the chairman of the Strategy and Sustainability Committee.

The terms of reference of the Strategy and Sustainability Committee are in compliance with the relevant laws and regulations of the PRC. The main duties of the Strategy and Sustainability Committee are set out as follows:

- to study and make recommendations on the five-year strategic development plan and annual business plan of the Company;
- to study and make recommendations on the annual investment plan which is subject to the approval of the Board;
- to study and make recommendations on material investment proposals, financing proposals, equity transfers, asset restructuring, asset disposal and capital operation which are subject to the approval of the Board;
- to study and make recommendations on the annual post-investment evaluation report, etc.; and
- to study, formulate, revise and review the first-level management systems of the Company's strategic management and investment management, and to make recommendations to the Board.
- to formulate and oversee the implementation of the Company's ESG strategy and policies; to coordinate and refine the ESG risk management and internal control systems; and to ensure that ESG considerations are integrated into the Company's overall strategy and major decision-making.

Up to the date of this annual report, one meeting of the Strategy and Sustainability Committee was held to review the strategic development plan and business plan of the Company.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. DING Xiaodong, Mr. WENG Xin and Mr. BAI Xianyue. Mr. DING Xiaodong is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code and in compliance with the relevant laws and regulations of the PRC. The primary duties and responsibilities of the Audit Committee include but are not limited to:

- to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any matters in relation to its resignation or dismissal;

- to review the financial statements and material advice in respect of financial reporting, and to monitor the completeness of financial statements, annual reports and accounts, half-yearly reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained therein; and

- to oversee financial reporting system, risk management and internal control procedures of the Company and to discuss the risk management and internal control system with the management and to ensure that the management has performed its duty to establish an effective internal control system.

Up to the date of this annual report, the Audit Committee held three meetings to review the annual financial results and report for the year ended December 31, 2025, the interim financial results and reports for the year 2025, and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and the internal audit function, appointment of external auditors and engagement of non-audit services and relevant scope of work.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of one executive Director and two independent non-executive Directors, namely Mr. WANG Guoxin, Mr. WENG Xin and Mr. DING Xiaodong. Mr. WENG Xin is the chairman of the Remuneration and Appraisal Committee.

The terms of reference of the Remuneration and Appraisal Committee are of no less exacting terms than those set out in the CG Code and in compliance with the relevant laws and regulations of the PRC. The primary duties and responsibilities of the Remuneration and Appraisal Committee include but are not limited to:

- to make recommendations to the Board on the Company's policy and structure for remuneration of all Directors and senior management and on the formulation of a set of formal and transparent procedures for developing remuneration policy;

- to review and approve the remuneration proposals of the management with reference to the corporate goals and objectives set by the Board;

- to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- to make recommendations to the Board on the remuneration of non-executive Directors;

- to determine the remuneration packages of Directors and senior management members of the Group, taking into account the salaries paid by comparable companies to similar positions, the time commitment required, responsibilities and employment conditions of other employees of the Group;

- to review and approve compensation payable to executive Directors and senior management of the Group for any loss or termination of office or appointment to ensure that they are consistent with contractual terms or are otherwise fair and reasonable;

- to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms or are otherwise fair and reasonable;

- to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration; and

- to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Up to the date of this annual report, one meeting of the Remuneration and Appraisal Committee was held to review and make recommendation to the Board on the remuneration policy and structure of the Company and the remuneration packages of the Directors and senior management and other related matters.

Details of the remuneration of the senior management by band for the year ended December 31, 2025 are set out below:

Remuneration band (RMB)	**Number of person(s)**
Nil to 1,000,000	3
1,000,001–2,000,000	1

Nomination Committee

The Nomination Committee consists of one executive Director, namely Ms. ZHANG Xiuqin, and two independent non-executive Directors, namely, Mr. WENG Xin and Mr. BAI Xianyue. Mr. BAI Xianyue is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code and in compliance with the relevant laws and regulations of the PRC.

The primary duties and responsibilities of the Nomination Committee include but are not limited to:

- to ensure that the Board and its committees consist of directors with the appropriate balance of skills, experience, diversity and knowledge of the Company to enable the Board to discharge its duties effectively;

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; when reviewing the structure, size and composition of the Board, the Nomination Committee shall take into consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience in accordance with the Board Diversity Policy adopted by the Company from time to time to achieve Board diversity;

- to develop, review and implement, as appropriate, the policy, procedures and criteria for the identification, selection and nomination of candidates as directors for Board approval. Such criteria include but are not limited to the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;

- to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors and senior management, in particular the chairman and the general manager, taking into account all factors which the Nomination Committee considers appropriate including the challenges and opportunities the Company is facing and the skills and expertise required in the future, and to ensure that senior management's succession planning is discussed at the Board at least once every year;

- to continuously evaluate the leadership needs and the training and development programmes of the Company, with a view to ensuring the continuous effective and efficient functioning of the Company and maintain competitiveness in the market;

- to evaluate the needs for, and monitor the training and development of Directors;

- to review and assess the skills, knowledge and experience required to serve on various Board committees, and make recommendations on the appointment of members of Board committees and the chairman of each Board committee;

- to review the feedback in respect of the role and effectiveness of the Board committees arising from the evaluation of the Board and/or any Board committees and make recommendations for any changes if needed;

- to draw up, review and update, as appropriate, the Board Diversity Policy and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review and update the progress on achieving the objectives; and to make disclosures of its progress and its review results in the annual report of the Company annually;

- to assess the independence of independent non-executive Directors; and

- where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, the Nomination Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he or she should be elected and the reasons why they consider him or her to be independent.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience etc. The Nomination Committee shall expand and discuss measurable objectives for achieving diversity on the Board every year, monitor the progress of achieving such measurable objectives, and recommend them to the Board for adoption to ensure the continuous effectiveness of the Board Diversity Policy.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's gender, qualifications, experience, independence, time commitment and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendations to the Board.

Up to the date of this annual report, one meeting of the Nomination Committee was held to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of Director candidates.

ATTENDANCE RECORD OF DIRECTORS

Code provision C.5.1 of the CG Code provides that regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors. During the Reporting Period, the Board held a total of five Board meetings. After listing on the Hong Kong Stock Exchange, the Company has adopted the practice of holding Board meetings regularly for at least four times a year at approximately quarterly intervals to discuss overall strategy as well as operations and financial performance of the Group.

For the year ending December 31, 2025, the Company convened two general meetings (including the 2024 annual general meeting). The Company strictly convened and conducted these meetings in accordance with the provisions and requirements of its Articles of Association and the Company's Rules of Procedure for General Meetings, ensuring that all Shareholders (particularly minority Shareholders) enjoy equal rights and fully exercise their voting rights.

For the year ending December 31, 2025, the attendance records of each Director at the Board, Board committees and general meeting are as follows:

	Attendance/Number of meetings					
Name of Director	**Board**	**Strategy and Sustainability Committee**	**Audit Committee**	**Remuneration and Appraisal Committee**	**Nomination Committee**	**General meeting**
Executive Directors						
Mr. WANG Zhongshan	5/5	1/1	—	—	—	2/2
Ms. ZHANG Xiuqin	5/5	1/1	—	—	1/1	2/2
Mr. WANG Guoxin *(appointed with effect from May 16, 2025)*	3/3	—	—	—	—	—
Mr. WANG Zegang	5/5	1/1	—	—	1/1	2/2
Ms. JIANG Liying *(retired with effect from May 16, 2025)*	2/2	1/1	—	2/2	—	2/2
Independent Non-executive Directors						
Mr. BAI Xianyue	5/5	—	3/3	—	2/2	2/2
Mr. WENG Xin *(appointed with effect from May 16, 2025)*	3/3	—	1/1	—	1/1	—
Mr. DING Xiaodong *(appointed with effect from May 16, 2025)*	3/3	—	1/1	—	—	—
Mr. WANG Gongyong *(retired with effect from May 16, 2025)*	2/2	—	2/2	2/2	—	2/2
Mr. HUANG Fangliang *(retired with effect from May 16, 2025)*	2/2	—	2/2	2/2	1/1	2/2

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee and the internal control consultant assist the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

In order to ensure the effective implementation of such internal control policies, we have adopted a series of internal control policies, procedures and programmes designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations, including the following:

- we have engaged an internal control consultant in January 2023 to assist the Board in implementing and monitoring of the risk management and internal control systems;
- we have appointed a compliance adviser upon Listing to advise us on on-going compliance with the Listing Rules and other applicable securities laws and regulations in Hong Kong;
- for the purpose of enhancing compliance awareness and knowledge, we have arranged compliance training to our management. The trainings provide information with respect to our internal control policies in relation to compliance with relevant laws and regulations. In addition, trainings have also been provided to our Directors and senior management in relation to compliance with Listing Rules. Also, we expect to provide continuous and regular trainings when necessary;
- we have engaged external professional advisers as necessary to work with the Group to conduct regular review to assist in full compliance with relevant rules and regulations; and
- we have reviewed the function of internal audit of the Group.

On March 24, 2026, the Management reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended December 31, 2025. The Directors are of the view that the risk management and internal control systems are adequate and effective. At the Board meeting held on March 24, 2026, the Board, as supported by the Audit Committee as well as the management report, reviewed the effectiveness of the Company's and its subsidiaries' risk management and internal control systems, including the financial, operational and compliance controls, for the year ended December 31, 2025, and considered that such systems are effective and adequate. The annual review also covered the financial reporting, ESG performance and reporting, and staff qualifications, experience and relevant resources. The Board expects that a review of the risk management and internal control systems will be performed annually.

Whistleblowing policy

The Company has in place a whistleblowing policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

Anti-corruption policy

The Company has also in place an anti-corruption policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports according to the procedures as set out in the whistleblowing policy.

Disclosure of inside information policy

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibility for preparing the financial statements with the support of the accounting and financial team.

The Directors have prepared the financial statements in accordance with HKFRS. Appropriate accounting policy has been used and consistently applied, except for the amendments, revision and interpretation of the standards.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern/adoption of the going concern approach in preparing the financial statements. The Directors believe that the financial statements give a true and fair view of the financial position, results and cash flows of the Group for the year ended December 31, 2025, and other financial information disclosure and report complies with the requirements of relevant laws.

A statement by our external auditors about their reporting responsibilities for the financial statements is included in the Independent Auditor's Report of this annual report.

AUDITORS' REMUNERATION

The following table sets forth the types of services provided by and the fees for the independent auditor of the Company, Messrs. Deloitte Touche Tohmatsu, for the year ended December 31, 2025:

Services rendered	**Fees paid/payable** RMB'000
Audit services	3,300
Non-audit services (Consultation Services)	85
Total	3,385

JOINT COMPANY SECRETARIES

Mr. WANG Zegang and Ms. YU Wing Sze acted as joint company secretaries of the Company. As Mr. WANG Zegang did not possess the qualifications as required under Rules 3.28 and 8.17 of the Listing Rules at the time of listing of the Company, the Company has applied to the Hong Kong Stock Exchange before the Listing and was granted the waiver from strict compliance with such rules. As confirmed by the Hong Kong Stock Exchange, upon expiration of the waiver period, Mr. WANG is qualified to act as the company secretary of the Company under Rules 3.28 and 8.17 of the Listing Rules.

Ms. YU Wing Sze, the manager of the listing services division at TMF Hong Kong Limited, a company providing corporate accounting and corporate secretarial services in Hong Kong, was appointed as one of the joint company secretaries of the Company in September 2023. The key contact person between Ms. YU Wing Sze and the Company is Mr. WANG Zegang. During the Reporting Period, Ms. YU Wing Sze and Mr. WANG Zegang have both complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of the relevant professional training.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices related matters.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, all resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Hong Kong Stock Exchange after each general meeting.

Convening general meetings

An annual general meeting is required to be held once every year within six months following the end of the previous financial year. An extraordinary general meeting is required to be held within two months subsequent to the occurrence of any of the following:

- the number of Directors falls short of the quorum stipulated in the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- the outstanding losses of the Company amount to one-third of the Company's total paid-in share capital;
- upon a written request by Shareholder(s) that individually or collectively holding 10% or more of the Company's shares (actual numbers of shares shall be calculated as per the shareholdings of the requesting Shareholders on the date when such a written request is made);
- the Board deems necessary;
- when over one-half of all the independent non-executive Directors of the Company agree to hold the meeting; and
- other circumstances stipulated by laws, administrative regulations and the Articles of Association occur.

A general meeting shall be convened by the Board, and chaired by the chairman. In the event that the chairman is unable to perform his/her duties, the meeting shall be chaired by the deputy chairman. In the event that the deputy chairman is unable to perform his/her duties, a Director jointly nominated by half or more of the Directors shall chair the meeting.

A general meeting convened by the Shareholders themselves shall be presided over by a representative elected by the convener. If for any reason, the Shareholder is unable to elect a representative as a presider to preside over the meeting, the Shareholder holding the most voting shares among the Shareholders (including Shareholder proxy (other than HKSCC Nominees)) shall preside over the meeting.

Putting forward proposals at general meetings

Shareholders individually or jointly holding 1% or more of shares of the Company may bring forward provisional proposals and submit the same in writing to the convener ten days prior to the general meeting. The provisional proposals should have clear topics and specific resolutions. The convener shall issue a supplementary notice of the general meeting within two days of receiving the proposals to disclose particulars of the provisional proposals, unless the proposal violates the provisions of the laws, administrative regulations or the Articles of Association or does not fall within the scope of the functions and powers of the general meeting.

Except as provided in the Articles of Association, the convener shall not amend the proposals set out in the notice of the general meeting or put up any new proposals after the issuance of the notice of the general meeting.

Proposals not specified in the notice of the general meeting or which do not comply with the provisions of the Articles of Association shall not be voted upon and resolved by the general meeting.

Contact details

Shareholders may send their enquiries or requests as mentioned above to the Company at mjy9999@mokingran.com or No.15 Ziyuan Road, Huayuan Industrial Zone, Binhai Hi-Tech District, Tianjin, PRC (For the attention of the Board/Company secretary).

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Company's business performance and strategies. For this purpose, the Company has set up a website (www.mokingran.com), where relevant latest information, the up-to-date state of the Company's business operation and development, the Company's financial information and corporate governance practices and other data are available to the public.

The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

The Board conducted an annual review on March 24, 2026 on the implementation and effectiveness of the Shareholders communication policy for the year ended December 31, 2025, including review of the work report on the Company's shareholder communication policy. Upon review, the Board was of the view that the Company's Shareholders communication policy was effective and sufficient.

CHANGES TO THE ARTICLES OF ASSOCIATION

2024 annual general meeting was held on May 16, 2025 by the Company to consider and approve the amendments to the Articles of Association. The amended Articles of Association have been effective from May 16, 2025. For details, please refer to the announcement and the circular of the Company dated April 24, 2025.

An up-to-date version of the Articles of Association is available on the Company's website and the Hong Kong Stock Exchange's website.

DIVIDEND POLICY

The Company does not have any fixed dividend policy nor pre-determined dividend payout ratio. The declaration of dividends is subject to the discretion of the Board. Any declaration of final dividend by the Company shall also be subject to the approval of the Shareholders in a general meeting. The Board may recommend a payment of dividends in the future after taking into account the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, capital expenditure and future development requirements, Shareholders' interests of the Group and other factors which they may deem relevant at such time.

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

TO THE SHAREHOLDERS OF MOKINGRAN JEWELLERY GROUP CO., LTD.
(夢金園黃金珠寶集團股份有限公司)
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Mokingran Jewellery Group Co., Ltd. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 135 to 202, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Existence of raw materials and finished goods	
We identified existence of raw materials and finished goods as a key audit matter due to the significance of the Group's raw materials and finished goods in the context of the Group's consolidated financial statements as a whole and high intrinsic value and portable nature of individual inventory item. As at December 31, 2025, the aggregate carrying amount of the Group's raw materials and finished goods amounted to RMB2,591,235,000 in total, constituting 52% of total assets. Given the significance of raw materials and finished goods balances to the financial statements, together with the nature of raw materials and finished goods which primarily consist of high intrinsic value, compact and portable gold and diamond inlaying jewellery that is inherently susceptible to misappropriation, we assessed a heightened inherent risk of material misstatement associated with the existence of raw materials and finished goods. Details relating to the Group's raw materials and finished goods are set out in Note 21 to the consolidated financial statements.	Our procedures in relation to the existence of raw materials and finished goods included: • Understanding and evaluating the design and implementation of the Group’s key internal controls over the existence of raw materials and finished goods; • Attending the Group’s year end physical inventory counts across all manufacturing facilities, exhibition halls and self-operated stores to observe the procedures performed by the Group’s personnels. We also performed full counts for raw materials and finished goods stored in manufacturing facilities and exhibition halls, and test counts for selected samples of raw materials and finished goods stored in self-operated stores; • Reconciling management’s inventory count reports with the raw materials and finished goods records in the financial system; and • Selecting finished good items at the year end randomly for authenticity check by independent testing organisation.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is LUNG, Kwok Hung (practising certificate number: P04937).

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
March 24, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended December 31, 2025

	Notes	For the year ended December 31, 2025 RMB'000	2024 RMB'000
Revenue	5	**20,709,567**	19,712,885
Cost of sales		**(19,130,550)**	(18,382,024)
Gross profit		**1,579,017**	1,330,861
Other income	6	**18,253**	34,584
Distribution and selling expenses		**(201,856)**	(229,227)
Research and development expenses		**(18,863)**	(22,366)
Administrative expenses		**(115,964)**	(103,360)
Other expenses and other net gains and losses	7	**(1,010,274)**	(649,389)
Finance costs	8	**(91,176)**	(71,457)
Impairment losses (including reversals of impairment losses) on financial assets	9	**1,366**	(5,284)
Listing expenses		**—**	(14,593)
Profit before tax		**160,503**	269,769
Income tax expense	10	**(50,557)**	(69,032)
Profit for the year	11	**109,946**	200,737
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**194**	—
Other comprehensive income for the year, net of income tax		**194**	—
Total comprehensive income for the year		**110,140**	200,737
Profit for the year attributable to:			
Owners of the Company		**96,521**	189,361
Non-controlling interests		**13,425**	11,376
		109,946	200,737
Total comprehensive income attributable to:			
Owners of the Company		**96,620**	189,361
Non-controlling interests		**13,520**	11,376
		110,140	200,737
Earnings per share			
Basic and diluted (RMB)	14	**0.36**	0.81

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	Notes	As at December 31, 2025 RMB'000	2024 RMB'000
Non-current Assets			
Property, plant and equipment	16	**372,839**	381,444
Right-of-use assets	17	**63,050**	50,112
Investment properties	18	**22,026**	61,298
Intangible assets	19	**14,339**	14,643
Deferred tax assets	20	**82,183**	41,866
Prepayments, deposits and other receivables	23	**28,327**	146,033
Other non-current assets		**547**	357
		583,311	695,753
Current Assets			
Inventories	21	**2,632,428**	2,544,284
Trade receivables	22	**253,747**	276,379
Prepayments, deposits and other receivables	23	**372,898**	395,452
Pledged/restricted deposits	24	**606,405**	466,621
Cash and cash equivalents	24	**501,089**	556,167
		4,366,567	4,238,903
Current Liabilities			
Trade and bills payables	25	**265,845**	394,083
Other payables and accruals	26	**160,897**	144,417
Amounts due to the controlling shareholder	40	**12,000**	—
Lease liabilities	27	**5,721**	7,706
Borrowings	28	**1,416,424**	1,167,496
Contract liabilities	29	**63,287**	106,093
Tax liabilities		**46,853**	40,060
Gold loans	30	**547,796**	359,087
Deferred income		**33**	33
Refund liabilities	31	**12,944**	23,413
		2,531,800	2,242,388
Net Current Assets		**1,834,767**	1,996,515
Total Assets less Current Liabilities		**2,418,078**	2,692,268

		As at December 31,	
	Notes	2025 RMB'000	2024 RMB'000
Non-current Liabilities			
Borrowings	28	**33,583**	181,422
Deferred tax liabilities	20	**687**	1,178
Lease liabilities	27	**4,924**	5,845
Refund liabilities	31	**11,520**	26,097
Deferred income		**46**	79
		50,760	214,621
Net Assets		**2,367,318**	2,477,647
Capital and Reserves			
Share capital	32	**273,023**	273,023
Shares held for share award scheme	32	**(139,698)**	—
Reserves		**2,199,412**	2,184,699
Equity attributable to owners of the Company		**2,332,737**	2,457,722
Non-controlling interests		**34,581**	19,925
Total Equity		**2,367,318**	2,477,647

The consolidated financial statements on pages 135 to 202 were approved and authorised for issue by the board of directors on March 24, 2026 and are signed on its behalf by:

Mr. Wang Zhongshan
DIRECTOR

Mr. Wang Zegang
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended December 31, 2025

	Attributable to owners of the Company										
	Share capital	**Shares held for share award scheme**	**Share premium**	**Other reserve**	**Share-based payments reserve**	**Translation reserve**	**Statutory reserve**	**Retained profits**	**Subtotal**	**Non-controlling interests**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000 (Note i)	RMB'000	RMB'000	RMB'000 (Note ii)	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	229,067	–	511,082	(18,287)	71,244	–	200,144	921,106	1,914,356	8,549	1,922,905
Profit and total comprehensive income for the year	–	–	–	–	–	–	–	189,361	189,361	11,376	200,737
Issue of shares upon initial public offering ("**IPO**") (Note 32)	43,956	–	443,200	–	–	–	–	–	487,156	–	487,156
Share issue costs for IPO	–	–	(41,524)	–	–	–	–	–	(41,524)	–	(41,524)
Appropriation to statutory reserve	–	–	–	–	–	–	30,014	(30,014)	–	–	–
Dividend declared (Note 15)	–	–	–	–	–	–	–	(91,627)	(91,627)	–	(91,627)
	43,956	–	401,676	–	–	–	30,014	(121,641)	354,005	–	354,005
At December 31, 2024	273,023	–	912,758	(18,287)	71,244	–	230,158	988,826	2,457,722	19,925	2,477,647
Profit for the year	–	–	–	–	–	–	–	96,521	96,521	13,425	109,946
Other comprehensive income for the year	–	–	–	–	–	99	–	–	99	95	194
Total comprehensive income for the year	–	–	–	–	–	99	–	96,521	96,620	13,520	110,140
Purchase of shares (not cancelled) (Note 32)	–	(139,698)	–	–	–	–	–	–	(139,698)	–	(139,698)
Capital injection from non-controlling interests	–	–	–	–	–	–	–	–	–	1,136	1,136
Appropriation to statutory reserve	–	–	–	–	–	–	22,409	(22,409)	–	–	–
Dividend declared (Note 15)	–	–	–	–	–	–	–	(81,907)	(81,907)	–	(81,907)
	–	(139,698)	–	–	–	–	22,409	(104,316)	(221,605)	1,136	(220,469)
At December 31, 2025	**273,023**	**(139,698)**	**912,758**	**(18,287)**	**71,244**	**99**	**252,567**	**981,031**	**2,332,737**	**34,581**	**2,367,318**

Notes:

(i) Other reserve mainly represents the differences between the amount by which non-controlling interests are adjusted and the fair value of consideration paid when the Group acquired partial interests in existing subsidiaries.

(ii) According to the relevant laws of the People's Republic of China (the "**PRC**"), the Company and its subsidiaries established in the PRC are required to transfer a portion of their profits after tax to the statutory reserve. The transfer to this reserve must be made before the distribution of a dividend to the equity owners. The transfer can cease when the balance of the reserve reaches 50% of the registered capital of the respective subsidiaries. The reserve can be applied either to set off accumulated losses or to increase capital.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended December 31, 2025

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Operating activities		
Profit before tax	**160,503**	269,769
Adjustments for:		
Interest income	**(3,299)**	(3,720)
Finance costs	**91,176**	71,457
Net unrealised loss/(gain) on gold loans	**74,391**	(37,734)
Fair value changes on financial assets at FVTPL	**1,646**	(5)
Depreciation of property, plant and equipment	**47,307**	45,162
Depreciation of right-of-use assets	**6,801**	9,882
Depreciation of investment properties	**3,947**	4,190
Amortisation of intangible assets	**2,841**	1,924
Loss/(gain) on disposal of property, plant and equipment, intangible assets and termination of leases, net	**101**	(203)
Net foreign exchange gain	**(3,589)**	(1,334)
Impairment losses (including reversals of impairment losses) on financial assets	**(1,366)**	5,284
Impairment loss on investment properties	**6,989**	15,207
Release of government grants	**(33)**	(41)
Additional deduction for value-added tax ("**VAT**")	**(273)**	(2,662)
Operating cash flows before movements in working capital	**387,142**	377,176
Decrease/(increase) in inventories	**26,174**	(479,398)
(Increase)/decrease in pledged/restricted deposits	**(176,082)**	12,119
Decrease/(increase) in trade receivables	**24,984**	(130,868)
Decrease/(increase) in prepayments, deposits and other receivables	**98,960**	(34,689)
Decrease in refund liabilities	**(25,046)**	(21,817)
Decrease in trade and bills payables	**(126,691)**	(102,807)
Increase in other payables and accruals	**16,753**	5,963
(Decrease)/increase in contract liabilities	**(42,806)**	63,920
Cash generated from/(used in) operations	**183,388**	(310,401)
Income taxes paid	**(82,000)**	(28,116)
Interest paid for gold loans and bills payable under supplier finance arrangements	**(26,879)**	(16,404)
Interest received	**1,536**	1,327
Net cash from/(used in) operating activities	**76,045**	(353,594)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the Year ended December 31, 2025

	For the year ended December 31, 2025 RMB'000	2024 RMB'000
Investing activities		
Purchase of property, plant and equipment	**(32,353)**	(40,936)
Proceeds from disposal of property, plant and equipment	**426**	13
Refund of prepayment/(prepayment) for property, plant and equipment	**114,100**	(114,100)
Purchases of intangible assets	**(1,292)**	(9,956)
Payment for leasehold lands	**—**	(77)
Purchase of financial products and structured deposits	**(10,000)**	(6,000)
Proceeds from disposal of financial products and structured deposits	**10,054**	6,005
Capital contribution and shareholder's loan to an investee	**(70,680)**	—
Payments for loan to government-related entity	**(7,710)**	—
Placement of pledged/restricted deposits	**(329,501)**	(385,000)
Withdrawal of pledged/restricted deposits	**365,365**	435,000
Interest received from pledged/restricted deposits	**2,197**	2,448
Net cash from/(used in) investing activities	**40,606**	(112,603)
Financing activities		
Proceeds from borrowings	**1,624,017**	2,098,490
Proceeds from amounts due to the controlling shareholder	**68,000**	—
Repayment of borrowings	**(1,521,579)**	(1,540,805)
Repayment of amounts due to the controlling shareholder	**(56,000)**	—
Interest paid	**(66,121)**	(52,409)
Proceeds from issue of shares	**—**	487,156
Payments for issue costs	**—**	(27,709)
Capital injection from non-controlling interests	**1,136**	—
Dividends paid	**(81,907)**	(91,627)
Payments for shares held for share award scheme	**(139,698)**	—
Repayments of lease liabilities	**(6,512)**	(8,043)
Net cash (used in)/from financing activities	**(178,664)**	865,053
Net (decrease)/increase in cash and cash equivalents	**(62,013)**	398,856
Cash and cash equivalents at beginning of the year	**556,167**	155,866
Effect of foreign exchange rate changes	**6,935**	1,445
Cash and cash equivalents at end of the year	**501,089**	556,167

1. GENERAL INFORMATION

Mokingran Jewellery Group Co., Ltd. (the "**Company**") was established as a limited liability company in the PRC on September 8, 2000 and converted into a joint-stock company with limited liability under the Company Law of the PRC on June 29, 2018. The addresses of the registered office and the principal place of business of the Company are set out in the section headed "Corporate Information" to the annual report.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from November 29, 2024.

The controlling shareholders of the Company are Mr. Wang Zhongshan, Ms. Zhang Xiuqin and their son, namely Mr. Wang Guoxin and their daughter, namely Ms. Wang Na, through their direct or indirect interests held in the Company.

The Company and its subsidiaries (collectively referred to as the "**Group**") are primarily engaged in the design, production, wholesale and retail of jewellery in the PRC.

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company and its subsidiaries in the PRC.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

New and Amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

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

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

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

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of the above amendments to HKFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7 *Financial Instruments: Disclosure*. Minor amendments to HKAS 7 *Statement of Cash Flows and HKAS 33 Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. The Group currently presents certain interest received and interest paid in operating activities, they will be classified in the investing activities and financing activities, respectively, on the consolidated statement of cash flows. The group is in the process of making a detailed assessment of the impact of MPMs related disclosures.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1. Basis of preparation of consolidated financial statements

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

3.2. Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is 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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Refund liabilities

The Group recognises a refund liability if the Group expects to refund some or all of the consideration received from customers.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Sale with a right of return/exchange

For a sale of products with a right of return/exchange for dissimilar products, the Group recognises all of the following:

(a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognised for the products expected to be returned/exchanged);

(b) a refund liability; and

(c) an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers.

Non-cash consideration

The Group receives used gold products from franchisees, provincial-dealers and end customers to be used in manufacturing new gold products. The fair value of such non-cash consideration received from the customer is included in the transaction price and measured when the Group obtains control of the used gold products.

The Group estimates the fair value of the non-cash consideration by reference to the real-time trading price of the Shanghai Gold Exchange on the relevant trading day.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 Leases at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of certain properties, electronic equipment and transportation equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 Financial Instruments and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: loan prime rates and a credit risk adjustment based on loan prime rates.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and payments of penalties for terminating a lease if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Sale and leaseback transactions

The Group as a seller-lessee

The Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group. For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of HKFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Retirement benefits costs

Full-time employees of the Group in the PRC participate in a government mandated defined contribution plan. Chinese labor regulations require that the Group makes contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the contributions made. The Group's contributions to the defined contribution plan are expensed as incurred and not reduced by being forfeited by those employees who leave the plan prior to vesting fully in the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Taxation (Continued)

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Research and development expenses

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Expenditure incurred on development projects are capitalised as intangible assets if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other development expenditure that does not meet those criteria is expensed as incurred. There were no development expenses meeting these criteria and capitalised as intangible assets as of December 31, 2025.

Impairment on property, plant and equipment, investment properties, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, investment properties, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash- generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Impairment on property, plant and equipment, investment properties, right-of-use assets and intangible assets (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less the estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit- impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or at fair value through other comprehensive income or designated as at fair value through other comprehensive income are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses, net” line item.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, other receivables, pledged/restricted deposits and cash and cash equivalents) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on trade receivables are assessed individually for those relating to customers with significant doubt on collection of receivables and collectively using a provision matrix with appropriate groupings with shared credit characteristics for the others.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports and governmental bodies as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs earlier. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration debtors' aging and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Nature, size and industry of debtors; and

- External credit ratings where available.

The grouping is regularly reviewed by the management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2. Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including borrowings, amounts due to the controlling shareholder, trade and bills payables and other payables are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss.

Au (T+D) contracts

The Group has a practice of settling Au (T+D) contracts net in cash or another financial instrument, and hence accounted for as derivatives. Au (T+D) contracts are initially recognised at fair value at the date when Au (T+D) contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Gold loans

Gold loans representing the obligation to deliver gold are classified as liabilities at FVTPL at initial recognition. The net gain or loss recognised in profit or loss excludes any interest paid on gold loans.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition for sales settled in used gold products

The Group receives used gold products from franchisees, provincial-dealers and end customers to be used in manufacturing new gold products. There is no obligation or commitment for the Group to accept the used gold products. Except for the form of consideration, there's no difference between this arrangement and an arrangement in which customers make a cash payment. The directors of the Company apply judgement to assess whether the Group has obtained control of customer-provided materials or not. Based on due and careful analysis of all relevant facts and circumstances, it is concluded that the Group has obtained control of the used gold products. As a result, the fair value of the non-cash consideration is included in the transaction price. The Group estimates the fair value of the non-cash consideration by reference to the real-time trading price of the Shanghai Gold Exchange on the relevant trading day.

Supplier finance arrangement

As disclosed in Note 25, the Group entered into certain supplier finance arrangements during the year. The supplier discounts the bills payable issued by the Group to banks and receives the consideration for selling gold to the Group, and the Group pays on the due date of bills which is a date later than the supplier is paid. The arrangements provide the Group with extended payment terms, when compared to the related invoice due date. In determining whether the bills payable under the arrangements are presented separately from trade and bills payables, the directors of the Group consider whether the nature and function of these liabilities are sufficiently different from trade and bills payables. The bills payable under supplier finance arrangements are presented within trade and bills payable as the directors of the Group consider these liabilities are part of the working capital used in the Group's normal operating cycle.

For the purpose of presenting cash flows statement, cash flows related to the liabilities arising from supplier finance arrangements that are classified as trade and bills payables are still part of the working capital used in the entity's principal revenue generating activities. Therefore, the cash outflows to settle the bills payable under supplier finance arrangements are presented as arising from operating activities.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision of ECL for trade receivables

Trade receivables relating to customers with significant doubt on collection of receivables are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Note 37.

Sales return

The Group makes a reasonable estimate of the return rate of diamond inlaying jewellery sold. The Group has developed a statistical model for forecasting sales returns. The model used the historical return data to come up with expected return percentages. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group updates its assessment of expected returns biannually and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances and the Group's past experience regarding returns may not be representative of customers' actual returns in the future. The amount recognised as refund liabilities is disclosed in Note 31.

Deferred tax assets

The recognition of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

Tax and other provisions

Provisions are recognized by the Group when it has present obligation as a result of past event which the Group believes it is probable that an outflow of economic resources would be required to settle that obligation, and the amount can be reliably estimated. The amount of provisions recognized at the reporting date reflects management's best estimate of the consideration that the Group may be required to pay to settle the obligation, taking into account various factors at the time of assessment, which may include, but not limited to, the applicable rules or terms and their interpretation and application, past experience, current market practice, professional advices and other relevant information that came to the knowledge of the management and its reliability. Due to the inherent risk and uncertain nature, the estimated amount may vary from time to time and subject to changes when obligations are eventually finalized and settled, more experience is accumulated, or when more updated, relevant and/or reliable information becomes available. The eventual outcome of settlement may be different from the estimated amount that were initially or previously recorded, and the differences will impact the profit and loss and the carrying amount in the period in which assessment is revised.

5. REVENUE AND SEGMENT INFORMATION

The Group is primarily engaged in the design, production, wholesale and retail of jewellery in the PRC.

The executive directors of the Company, being the chief operating decision makers, review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one operating and reportable segment and no further analysis of this single segment is presented.

The Group's non-current assets are all located in Chinese Mainland of the PRC and the Group's revenue are predominantly derived from Chinese Mainland of the PRC. During the year ended December 31, 2025, there was no revenue derived from transactions with a single external customer or a group of entities known to be under common control with that customer amounted to 10% or more of the Group's revenue (2024: None).

The Group's revenue is generated from the sales of gold jewellery and other gold products, K gold jewellery, diamond inlaying jewellery and other products and provision of other services. Disaggregation of revenue from contracts with customers is as follows:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Type of goods or services		
Sale of goods:		
— Gold jewellery and other gold products	**20,190,555**	19,280,247
— K gold jewellery, diamond inlaying jewellery and other products	**353,916**	342,650
Other services	**165,096**	89,988
Total	**20,709,567**	19,712,885
Geographical markets		
Chinese Mainland	**20,369,285**	19,572,563
Others	**340,282**	140,322
Total	**20,709,567**	19,712,885
Timing of revenue recognition		
A point in time	**20,656,704**	19,657,361
Over time	**52,863**	55,524
Total	**20,709,567**	19,712,885

For the sales of gold jewellery and other gold products, K gold jewellery, diamond inlaying jewellery and other products, revenue is recognised when customers obtain control of the goods, being when the goods have been accepted by customers or delivered to the carrier designated by the customers. The payment is usually due immediately for retail customers and with a credit period of 90 days to 1 year for the franchisees and provincial-dealers.

5. REVENUE AND SEGMENT INFORMATION (Continued)

Under the Group's standard contract terms, except for closures of stores, customers (franchisees and provincial-dealers) have no right to return any goods after its acceptance of the products but have a right to exchange unsold diamond inlaying jewellery within 5 years. The Group uses its historical data to estimate the percentage of exchange on a portfolio basis using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal of the cumulative revenue recognised will not occur. For goods that are expected to be returned, a refund liability instead of revenue is recognised. The Group's right to recover the product when customers exercise their rights is recognised as a right to returned goods and a corresponding adjustment to cost of sales.

Other services include royalty and service, brand usage, customised processing service and testing service. Royalty and service income and brand usage income in respect of the use of the Group's trademarks is recognised over time in accordance with the relevant agreements. Customised processing service income and testing service income is recognised when the services are rendered.

The Group applies the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of all the contracts from customers of the Group are within one year or less.

6. OTHER INCOME

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Interest income from bank and other deposits	**3,299**	3,720
Other income from franchisees and provincial-dealers	**3,151**	3,298
Rental income	**2,955**	3,140
Government grants (Note)	**8,265**	21,654
Additional deduction for VAT	**273**	2,662
Others	**310**	110
	18,253	34,584

Note: For the year ended December 31, 2025, income of approximately RMB8,232,000 (2024: RMB21,613,000) represented the subsidies from the relevant government authorities for the purpose of motivating the business development of the Group. The subsidies received are in substance a kind of immediate financial support to the Group with no future related costs and are recognised as income when the subsidies are received. There were no unfulfilled conditions for all the government grants in the period in which they were recognised. For the year ended December 31, 2025, income of approximately RMB33,000 (2024: RMB41,000) represented the grants from the relevant government authorities for funding the purchase of certain non-current assets. The government grants received are recognised in profit or loss over the useful lives of the relevant non-current assets.

7. OTHER EXPENSES AND OTHER NET GAINS AND LOSSES

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Direct operating expenses incurred for investment properties	**(3,947)**	(4,022)
Charitable contribution	**(904)**	(1,287)
Tax late payment surcharge	**(9,044)**	—
Other expenses	**(13,895)**	(5,309)
Impairment loss recognised in respect of investment properties	**(6,989)**	(15,207)
(Loss)/gain on disposal of property, plant and equipment, intangible assets and termination of leases, net	**(101)**	203
Net foreign exchange gain	**3,589**	1,334
Net realised loss on Au (T+D) contracts (Note)	**(705,874)**	(533,649)
Net realised loss on gold loans	**(217,163)**	(131,400)
Net realised gain/(loss) on futures contract	**5,839**	(3,489)
Net unrealised (loss)/gain on gold loans	**(74,391)**	37,734
Fair value changes on financial assets at FVTPL	**(1,646)**	5
Others	**357**	389
Other net gains and losses	**(996,379)**	(644,080)
Other expenses and other net gains and losses	**(1,010,274)**	(649,389)

Note: The Group uses Au (T+D) contracts which are purchased on Shanghai Gold Exchange as an economic hedge of its commodity price risk and its exposure to variability in fair value changes attributable to price fluctuation risk associated with gold products. The Au (T+D) contracts are settled on a daily basis.

The Group does not formally designate or document the hedging transactions with respect to the Au (T+D) contracts. Therefore, those transactions are not designated for hedge accounting.

8. FINANCE COSTS

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Interest on borrowings and amounts due to the controlling shareholder	**64,318**	52,585
Interest on gold loans	**24,600**	14,110
Interest on discounted bills payables	**1,804**	3,746
Interest on lease liabilities	**454**	1,016
	91,176	71,457

9. IMPAIRMENT LOSSES (INCLUDING REVERSALS OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Impairment losses (reversed)/recognised on:		
— Trade receivables	**(3,019)**	4,111
— Other receivables	**1,653**	1,173
Total	**(1,366)**	5,284

10. INCOME TAX EXPENSE

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Current tax:		
Hong Kong	**2,776**	—
PRC Enterprise Income Tax ("**EIT**")	**74,894**	74,943
Under provision of EIT in prior years	**13,695**	723
Deferred tax (Note20)	**(40,808)**	(6,634)
	50,557	69,032

10. INCOME TAX EXPENSE (Continued)

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the statutory tax rate of the PRC subsidiaries is 25% during the years ended December 31, 2025 and 2024.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first Hong Kong dollars ("**HKD**") 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD 2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HKD 2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HKD 2 million. No provision for taxation in Hong Kong has been made as the Group's subsidiary in Hong Kong is operating at a loss during the year ended December 31, 2024.

Certain subsidiaries are qualified as small low-profit enterprises by the relevant tax authorities. The entitled subsidiaries are subject to a preferential income tax rate of 5% during the years ended December 31, 2025 and 2024.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Profit before tax	**160,503**	269,769
Tax at PRC statutory income tax rate of 25%	**40,126**	67,442
Effect of different tax rates of subsidiaries	**(3,404)**	(4,811)
Tax effect of expenses not deductible for tax purposes	**2,951**	1,893
Utilisation of tax losses previously not recognised	**(593)**	(2,151)
Utilisation/recognition of deductible temporary differences previously not recognised	**(7,029)**	(295)
Tax effect of tax losses not recognised	**6,464**	6,565
Tax effect of deductible temporary differences not recognised	**—**	4,833
Under provision in respect of prior years	**13,695**	723
Additional deductible items under the EIT Law (Note)	**(1,653)**	(5,167)
Income tax expense for the year	**50,557**	69,032

Note: Additional deductible items under the EIT Law include super deduction for research and development expenses and super deduction for salary of disabled individuals.

11. PROFIT FOR THE YEAR

The Group's profit for the year has been arrived at after charging/(crediting):

	For the year ended December 31, 2025 RMB'000	2024 RMB'000
Depreciation of property, plant and equipment	**47,307**	45,162
Depreciation of investment properties	**3,947**	4,190
Depreciation of right-of-use assets	**6,801**	9,882
Amortisation of intangible assets	**2,841**	1,924
Total depreciation and amortisation	**60,896**	61,158
Less: capitalised in inventories	**(25,093)**	(21,772)
	35,803	39,386
Impairment loss recognised in respect of investment properties	**6,989**	15,207
Auditor's remuneration	**3,529**	2,851
Short-term lease expense	**3,149**	2,642
Gross rental income from investment properties	**(2,955)**	(3,140)
Less:		
direct operating expenses incurred for investment properties that generated rental income during the year	**1,390**	2,261
direct operating expenses incurred for investment properties that did not generate rental income during the year	**2,557**	1,761
	992	882
Directors' and supervisors' remuneration (Note 12)	**4,730**	7,124
Other staff costs:		
Salaries, other allowances and performance-based bonuses	**215,904**	226,170
Retirement benefits scheme contributions	**19,181**	19,344
Total staff costs	**235,085**	245,514
Less: capitalised in inventories	**(86,814)**	(85,394)
	148,271	160,120
Cost of inventories recognised as an expense	**19,124,355**	18,381,760
Including: reversal of write-down of inventories	**—**	(80)

12. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND SUPERVISORS

The emoluments paid or payable to the directors, chief executive and supervisors of the Company for the year , disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	For the year ended December 31, 2025				
	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance-based bonuses RMB'000 (Note i)	Retirement benefits scheme RMB'000	Total RMB'000
Executive directors:					
Mr. Wang Zhongshan	–	433	314	–	747
Ms. Zhang Xiuqin	–	384	362	–	746
Mr. Wang Zegang	–	850	882	30	1,762
Mr. Wang Guoxin (Chief executive) (Note iv)	–	768	103	34	905
Sub-total	–	2,435	1,661	64	4,160
Independent non-executive directors:					
Mr. Wang Gongyong (Note vii)	26	–	–	–	26
Mr. Huang Fangliang (Note viii)	26	–	–	–	26
Mr. Ding Xiaodong (Note ix)	62	–	–	–	62
Mr. Weng Xin (Note x)	62	–	–	–	62
Mr. Bai Xianyue (Note v)	89	–	–	–	89
Sub-total	265	–	–	–	265
Supervisors (Note xi):					
Mr. Zhang Xin	–	56	–	9	65
Mr. Li Hu	–	111	–	10	121
Mr. Wang Yanpeng	–	109	–	10	119
Sub-total	–	276	–	29	305
Total	265	2,711	1,661	93	4,730

12. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND SUPERVISORS (Continued)

	For the year ended December 31, 2024				
	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance-based bonuses RMB'000 (Note i)	Retirement benefits scheme RMB'000	Total RMB'000
Executive directors:					
Mr. Wang Zhongshan	—	439	306	7	752
Ms. Zhang Xiuqin	—	384	354	—	738
Mr. Wang Zegang	—	440	174	46	660
Ms. Jiang Liying (Note ii)	—	365	3,259	—	3,624
Sub-total	—	1,628	4,093	53	5,774
Independent non-executive directors:					
Mr. Wang Gongyong	70	—	—	—	70
Mr. Sha Nali (Note vi)	64	—	—	—	64
Mr. Huang Fangliang	70	—	—	—	70
Mr. Wong Lit Chor, Alexis (Note iii)	41	—	—	—	41
Mr. Bai Xianyue (Note v)	29	—	—	—	29
Sub-total	274	—	—	—	274
Chief executive:					
Mr. Wang Guoxin (Note iv)	—	230	—	38	268
Supervisors:					
Mr. Zhang Xin	—	144	—	24	168
Mr. Li Hu	—	257	43	24	324
Mr. Wang Yanpeng	—	253	39	24	316
Sub-total	—	654	82	72	808
Total	274	2,512	4,175	163	7,124

12. EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND SUPERVISORS (Continued)

Notes:

i. Performance-based bonuses are determined based on the Group's performance and performance of the relevant individuals within the Group.

ii. Ms. Jiang Liying resigned as an executive director on May 16, 2025.

iii. Mr. Wong Lit Chor, Alexis was appointed as an independent non-executive director on September 20, 2023 and resigned as an independent non-executive director on July 31, 2024.

iv. Mr. Wang Guoxin was appointed as the chief executive on September 20, 2023 and was appointed as an executive director on May 16, 2025.

v. Mr. Bai Xianyue was appointed as an independent non-executive director on August 22, 2024.

vi. Mr. Sha Nali resigned as an independent non-executive director on December 31, 2024.

vii. Mr. Wang Gongyong resigned as an independent non-executive director on May 16, 2025.

viii. Mr. Huang Fangliang resigned as an independent non-executive director on May 16, 2025.

ix. Mr. Ding Xiaodong was appointed as an independent non-executive director on May 16, 2025.

x. Mr. Weng Xin was appointed as an independent non-executive director on May 16, 2025.

xi. The Supervisory Board of the Group was dissolved on May 16, 2025.

The emoluments of executive directors and supervisors shown above were mainly for their services in connection with the management of affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for their services as the directors of the Company.

There was no arrangement under which a director, supervisor or chief executive of the Company waived or agreed to waive any remuneration during the year ended December 31, 2025 (2024: None).

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included one (2024: one) director, details of whose remuneration are set out in Note 12 above. Details of the remuneration for the year of the remaining four (2024: four) individuals who are neither a director, supervisor nor chief executive of the Company are as follows:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Salaries and other allowances	**3,412**	3,577
Performance-based bonuses	**6,526**	400
Retirement benefits scheme	**144**	96
	10,082	4,073

13. FIVE HIGHEST PAID EMPLOYEES (Continued)

The number of the highest paid employees who are not the directors, supervisors or chief executive of the Company whose remuneration fell within the following bands is as follows:

	For the year ended December 31,	
	2025 Number of employees	2024 Number of employees
HKD nil to HKD1,000,000	**—**	1
HKD1,000,001 to HKD1,500,000	**2**	3
HKD1,500,001 to HKD2,000,000	**1**	—
HKD6,500,001 to HKD7,000,000	**1**	—
Total	**4**	4

During the years ended December 31, 2025 and 2024, no emoluments were paid by the Group to any of the directors, supervisors, chief executive or the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office.

14. EARNINGS PER SHARE

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

	For the year ended December 31,	
	2025 RMB'000	2024 RMB'000
Profit for the year attributable to the owners of the Company	**96,521**	189,361

Number of shares

	For the year ended December 31,	
	2025 '000	2024 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	**270,116**	232,730

No diluted earnings per share for the years ended December 31, 2025 and 2024 were calculated as there were no potential ordinary shares in issue for both 2025 and 2024.

15. DIVIDENDS

In March 2024, a dividend of RMB91,627,000 was declared and paid by the Company to its then shareholders recognised as a distribution.

In May 2025, as approved by the shareholders at the annual general meeting, a final dividend of RMB0.3 per ordinary share, in an aggregate amount of RMB81,907,000, was declared to be distributed to shareholders for the year ended December 31, 2024 by the Company and recognised as a distribution.

Subsequent to the reporting period, a final dividend in respect of the year ended December 31, 2025 of RMB0.3 per ordinary share, in an aggregate amount of RMB81,907,000 has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvement RMB'000	Construction in progress RMB'000	Machinery RMB'000	Transportation equipment RMB'000	Electronic equipment RMB'000	Other equipment RMB'000	Total RMB'000
COST								
At January 1, 2024	295,625	31,672	3,867	217,965	14,243	36,117	22,773	622,262
Additions	188	2,897	1,078	20,545	435	5,051	1,888	32,082
Transfer from construction in progress	–	–	(4,005)	3,677	–	–	328	–
Disposals	–	–	–	(255)	(75)	(652)	(340)	(1,322)
Other decrease	(4,336)	–	(940)	–	–	–	–	(5,276)
At December 31, 2024	291,477	34,569	–	241,932	14,603	40,516	24,649	647,746
Additions	646	84	–	20,533	45	2,821	2,642	26,771
Transfer from investment properties	20,947	–	–	–	–	–	–	20,947
Disposals	–	–	–	(1,374)	(74)	(497)	(80)	(2,025)
At December 31, 2025	**313,070**	**34,653**	**–**	**261,091**	**14,574**	**42,840**	**27,211**	**693,439**
DEPRECIATION								
At January 1, 2024	48,570	24,374	–	98,317	12,118	22,170	16,712	222,261
Charge for the year	14,358	3,430	–	19,374	849	5,299	1,852	45,162
Eliminated on disposals	–	–	–	(234)	(69)	(600)	(218)	(1,121)
At December 31, 2024	62,928	27,804	–	117,457	12,898	26,869	18,346	266,302
Charge for the year	14,451	3,895	–	20,475	646	6,018	1,822	47,307
Depreciation transfer from investment properties	8,611	–	–	–	–	–	–	8,611
Eliminated on disposals	–	–	–	(1,060)	(70)	(423)	(67)	(1,620)
At December 31, 2025	**85,990**	**31,699**	**–**	**136,872**	**13,474**	**32,464**	**20,101**	**320,600**
CARRYING AMOUNT								
At December 31, 2025	**227,080**	**2,954**	**–**	**124,219**	**1,100**	**10,376**	**7,110**	**372,839**
At December 31, 2024	228,549	6,765	–	124,475	1,705	13,647	6,303	381,444

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, except for construction in progress, after taking into account the residual value, are depreciated on a straight-line basis at the following rates per annum:

Buildings	4.75%–9.50%
Leasehold improvement	20.00%–33.33%
Machinery	4.75%–31.67%
Transportation equipment	9.50%–23.75%
Electronic equipment	9.50%–31.67%
Other equipment	9.50%–31.67%

As at December 31, 2025, the carrying amount of property, plant and equipment of RMB226,898,000 (2024: RMB293,122,000) are pledged to banks as collaterals for the Group's borrowings, bills payable and gold loans.

17. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Leased properties RMB'000	Total RMB'000
Carrying amount at January 1, 2024	38,609	14,228	52,837
Additions	77	18,342	18,419
Lease modifications	—	22	22
Termination of leases	—	(11,284)	(11,284)
Depreciation charge	(900)	(8,982)	(9,882)
Carrying amount at December 31, 2024	37,786	12,326	50,112
Additions	—	5,880	5,880
Transfer from investment properties	16,000	—	16,000
Lease modifications	—	(360)	(360)
Termination of leases	—	(1,781)	(1,781)
Depreciation charge	(1,055)	(5,746)	(6,801)
Carrying amount at December 31, 2025	**52,731**	**10,319**	**63,050**

	For the year ended December 31,	
	2025 RMB'000	2024 RMB'000
Expense relating to short-term leases	**3,149**	2,642
Total cash outflow for leases	**10,115**	11,778

17. RIGHT-OF-USE ASSETS (Continued)

For the years ended December 31, 2025 and 2024, the Group leases various lands, offices and retail stores for its operations. Lease contracts are entered into for fixed terms of 1 month to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns buildings where its manufacturing facilities and office are primarily located. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The Group regularly entered into short-term leases for certain properties, electronic equipment and transportation equipment. As at December 31, 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense is disclosed above.

The Group's lease agreements do not contain any variable lease payments nor any extension or purchase option for lessee.

Restrictions or covenants on leases

The lease agreements do not impose any covenants other than the security interests in the leased properties that are held by the lessor.

As at December 31, 2025, the carrying amount of leasehold lands of RMB49,099,000 (2024: RMB3,440,000) are pledged to banks as collaterals for the Group's borrowings.

Sale and leaseback transactions — seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. The legal transfer does not satisfy the requirements of HKFRS 15 to be accounted for as a sale of the machinery. During the year ended December 31, 2025, the Group has raised RMB50,000,000 (2024: RMB299,500,000) borrowings in respect of such sale and leaseback arrangements (Note 28).

18. INVESTMENT PROPERTIES

The Group leases out office units and commercial property units under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 10 years, with unilateral rights to extend the lease beyond initial period held by lessees only.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in RMB. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

	RMB'000
COST	
At January 1, 2024 and December 31, 2024	116,569
Transfer to property, plant and equipment	(20,947)
Transfer to right-of-use assets	(46,106)
At December 31, 2025	49,516
DEPRECIATION AND IMPAIRMENT	
At January 1, 2024	35,874
Charge for the year	4,190
Impairment loss recognised in profit or loss	15,207
At December 31, 2024	55,271
Charge for the year	3,947
Depreciation transfer to property, plant and equipment	(8,611)
Depreciation transfer to right-of-use assets	(7,910)
Impairment loss recognised in profit or loss	6,989
Impairment loss transfer to right-of-use assets	(22,196)
At December 31, 2025	**27,490**
CARRYING VALUES	
At December 31, 2025	**22,026**
At December 31, 2024	61,298

The above investment properties are depreciated on a straight-line basis at the following rates per annum:

Leasehold lands	2.00%–2.66%
Leased properties	4.75%

18. INVESTMENT PROPERTIES (Continued)

Details of the Group's investment properties and information about the fair value hierarchy as at the end of each reporting period are as follows:

	As at December 31,			
	2025		2024	
	Carrying Amount RMB'000	**Fair value at Level 3 RMB'000**	Carrying Amount RMB'000	Fair value at Level 3 RMB'000
Office units located in Tianjin	**19,343**	**44,000**	21,205	51,000
Factory located in Tianjin	**—**	**—**	37,000	37,000
Commercial property units located in Beijing	**2,683**	**9,600**	3,093	10,500
	22,026	**53,600**	61,298	98,500

The fair value of the investment properties (other than the leasehold land attached to the factory located in Tianjin) was determined based on the income approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed with reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighborhood. The discount rate is determined with reference to the yields derived from analysing the sales transactions of similar properties and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's investment properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

As at December 31, 2025, the carrying amounts of investment properties of RMB Nil (2024: RMB32,127,000) are pledged to banks as collaterals for the Group's borrowings.

19. INTANGIBLE ASSETS

	Software RMB'000	Trademark RMB'000	Total RMB'000
COST			
At January 1, 2024	17,428	7	17,435
Additions	8,978	—	8,978
At December 31, 2024	26,406	7	26,413
Additions	2,765	—	2,765
Disposals	(369)	—	(369)
At December 31, 2025	**28,802**	**7**	**28,809**
AMORTISATION			
At January 1, 2024	9,844	2	9,846
Charge for the year	1,923	1	1,924
At December 31, 2024	11,767	3	11,770
Charge for the year	2,840	1	2,841
Eliminated on disposals	(141)	—	(141)
At December 31, 2025	**14,466**	**4**	**14,470**
CARRYING AMOUNT			
At December 31, 2025	**14,336**	**3**	**14,339**
At December 31, 2024	14,639	4	14,643

The above intangible assets have finite useful lives and are amortised on a straight-line basis over the following periods:

Software	3.25–10 years
Trademark	6.83 years

20. DEFERRED TAX ASSETS/LIABILITIES

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

	As at December 31, 2025 RMB'000	As at December 31, 2024 RMB'000
Deferred tax assets	**82,183**	41,866
Deferred tax liabilities	**(687)**	(1,178)
	81,496	40,688

The following are the major deferred tax assets recognised and movements thereof during the current and prior years:

	Tax losses RMB'000	ECL provision RMB'000	Impairment on investment properties/ right-of-use assets RMB'000	Fair value changes of gold loans RMB'000	Fair value changes on Au (T+D) contracts RMB'000	Unrealised profit on inventories/ property, plant and equipment RMB'000	Inventory provision RMB'000	Refund liabilities RMB'000	Deferred income RMB'000	Lease liabilities RMB'000	Total RMB'000
At January 1, 2024	5,354	9,210	–	9,298	–	4,695	12	5,006	38	3,998	37,611
Credit (charge) to profit or loss	20,366	927	3,802	(9,298)	–	(2,704)	(12)	(5,006)	(10)	(1,771)	6,294
At December 31, 2024	25,720	10,137	3,802	–	–	1,991	–	–	28	2,227	43,905
Credit (charge) to profit or loss	508	379	1,747	18,463	7,338	11,971	–	–	(8)	(242)	40,156
At December 31, 2025	**26,228**	**10,516**	**5,549**	**18,463**	**7,338**	**13,962**	**–**	**–**	**20**	**1,985**	**84,061**

The following are the major deferred tax liabilities recognised and movements thereof during the current and prior year:

	Right-of-use assets RMB'000	Fair value changes of gold loans RMB'000	Total RMB'000
At January 1, 2024	(3,557)	–	(3,557)
Credit (charge) to profit or loss	475	(135)	340
At December 31, 2024	(3,082)	(135)	(3,217)
Credit to profit or loss	517	135	652
At December 31, 2025	**(2,565)**	**–**	**(2,565)**

20. DEFERRED TAX ASSETS/LIABILITIES (Continued)

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

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Tax losses	**78,512**	55,027
Deductible temporary differences	**11,957**	20,508

No deferred tax asset has been recognised in relation to such deductible temporary difference and tax losses due to the unpredictability of future profit streams.

Unrecognised tax losses with expiry dates are disclosed in the following table.

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
2026	**888**	1,057
2027	**13,483**	14,077
2028	**13,452**	13,635
2029	**24,832**	26,258
2030	**25,857**	—
	78,512	55,027

21. INVENTORIES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Raw materials	**706,412**	960,422
Work in progress	**6,703**	9,090
Finished goods	**1,884,823**	1,552,134
Goods in transit	**20,103**	12,069
Consignment processing materials	**1,282**	2,787
Consumables	**13,105**	7,782
	2,632,428	2,544,284

Note: Included in the finished goods are items related to consignment arrangement amounted to RMB4,110,000 (2024: RMB259,000) as at December 31, 2025.

22. TRADE RECEIVABLES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Trade receivables	**291,211**	316,862
Less: Allowance for credit losses	**(37,464)**	(40,483)
Total	**253,747**	276,379

As at January 1, 2024, gross carrying amount of trade receivables from contracts with customers amounted to RMB186,885,000.

The Group primarily allows a credit period around 90 days to 1 year, except for certain credit worthy customers, where the credit periods are extended to a longer period. The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the dates of delivery or rendering of services at the end of each reporting period.

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Within 90 days	**74,506**	237,173
90–180 days	**58,988**	15,430
180 days–1 year	**102,210**	22,883
1–2 years	**17,538**	893
2–3 years	**505**	—
Total	**253,747**	276,379

As of December 31, 2025, included in the Group's trade receivable balances are debtors with an aggregate carrying amount of RMB19,680,000 (2024: RMB7,099,000) which are past due as at the reporting date. Out of the past due balances, RMB6,943,000 (2024: RMB4,872,000) has been past due 90 days or more. The past due 90 days balances of RMB6,943,000 (2024: RMB3,314,000) are not considered as in default as there has not been a significant change in credit quality and the amounts are considered recoverable.

Details of impairment assessment are set out in Note 37.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Current:		
Other receivables		
— Deposits	7,578	5,974
— Payments on behalf of employee	3,870	1,293
— Loan to an investee (Note ii)	34,680	—
— Receivable from equity transfer (Note ii)	34,300	—
— Others	4,058	5,095
Less: Allowance for credit losses	(5,257)	(4,049)
Total other receivables	79,229	8,313
Prepayment to suppliers	22,386	9,515
Prepaid EIT	609	3,181
Deductible input VAT	115,087	127,619
Right to returned goods asset (Note i)	112,216	205,868
Prepaid advertising expenses	38,539	38,434
Prepaid interest on gold loans	684	209
Others	4,148	2,313
Total	372,898	395,452
Non-current:		
Other receivables		
— Deposits	3,765	4,020
— Loan to government-related entity (Note iii)	7,710	—
Less: Allowance for credit losses	(1,030)	(585)
Total other receivables	10,445	3,435
Prepayment for acquisition of non-current assets	9,323	123,373
Right to returned goods asset (Note i)	8,559	19,225
Total	28,327	146,033

Details of impairment assessment are set out in Note 37.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes:

i. The amounts included (i) an asset for the Group's right to recover products from customers for sale with a right of return/exchange, and (ii) gold products under lending arrangement to certain franchisees and provincial-dealers, where they are obliged to return gold products of the same type, quantity and quality to the Group or settle their obligations in cash or used gold products on the basis of the selling price of the lent gold products at maturity.

ii. During 2025, the Group invested in and advanced a loan to a newly established investee, and the other investor of the investee subsequently negotiated with the Group and purchased the equity interests in the investee from the Group. The balances at the balance sheet date represented the consideration receivable for the equity interests transfer and the outstanding loan balance from the investee. The equity interests transfer consideration together with the loan and related interests (interest rate: 6% per annum) have been received by the Group subsequently.

iii. On October 28, 2025, the Group provided a loan of RMB7,710,000 to a government platform through a bank-entrusted loan arrangement with an interest rate of 6% per annum and a term of two years. The loan and interests are repaid in a single lump sum at maturity.

24. PLEDGED/RESTRICTED DEPOSITS/CASH AND CASH EQUIVALENTS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Cash and cash equivalents		
— Cash on hand	**90**	123
— Bank balances (Note i)	**402,397**	528,000
— Balances with online payment platforms	**3,723**	1,823
— Surplus deposits with Shanghai Gold Exchange	**73,435**	26,221
— Surplus deposits with futures account	**21,444**	—
	501,089	556,167
Pledged/restricted deposits (Notes ii&iii)	**606,405**	466,621

Notes:

i. As at December 31, 2025, bank balances of the Group carried interest at market rates ranging from nil to 0.95% (2024: nil to 1.15%) per annum.

ii. As at December 31, 2025, the carrying amount of pledged/restricted deposits of the Group of RMB241,649,000 (2024: RMB279,675,000) are pledged to banks as collaterals for the Group's borrowings, gold loans and bills payable. The balances carried interest rates ranging from nil to 1.99% (2024: nil to 2.25%) per annum.

iii. As at December 31, 2025, the carrying amount of pledged/restricted deposits of the Group of RMB364,056,000 (2024: RMB184,648,000) are pledged to Shanghai Gold Exchange for Au (T+D) contracts.

25. TRADE AND BILLS PAYABLES

	As at December 31, 2025 RMB'000	2024 RMB'000
Bills payable under supplier finance arrangements (Notes i & ii)	**238,000**	370,000
Trade payables	**27,845**	24,083
	265,845	394,083

Notes:

i. The bills payable were guaranteed by the Company and/or certain subsidiaries of the Group.

ii In order to ensure easy access to finance for a supplier of the Group, the Group permits a supplier to obtain payment from banks by discounting bills issued by the Group for the amount of gold that the Group agrees to purchase. The Group repays the banks the full bill amount on the due date of the bill. As the arrangements are part of the working capital used in the entity's normal operating cycle, the Group considers the bills payable under such supplier finance arrangements should be classified as trade and bills payables.

An aged analysis of the Group's trade payables presented based on the invoice date at the end of each reporting period is as follows:

	As at December 31, 2025 RMB'000	2024 RMB'000
Within 1 year	**24,837**	21,356
1–2 years	**1,928**	2,317
2–3 years	**675**	101
Over 3 years	**405**	309
	27,845	24,083

All bills payable issued by the Group are with a maturity period of less than one year.

26. OTHER PAYABLES AND ACCRUALS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Other payables		
— deposits received	**93,274**	85,683
— accrued expenses	**2,921**	2,867
— accrued listing expenses and issue costs	**—**	3,654
— others	**9,061**	825
Total other payables	**105,256**	93,029
Rent received in advance	**1,663**	2,905
Other tax payable	**20,965**	17,888
Salaries, welfare and bonus payable	**33,013**	30,595
	160,897	144,417

27. LEASE LIABILITIES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	**5,721**	7,706
Within a period of more than one year but not exceeding two years	**2,098**	4,774
Within a period of more than two years but not exceeding five years	**2,826**	1,071
	10,645	13,551
Analysed as:		
Amounts due for settlement within one year shown under current liabilities	**5,721**	7,706
Amounts due for settlement after one year shown under non-current liabilities	**4,924**	5,845

The lease liabilities of approximately RMB10,625,000 (2024: RMB13,551,000) are secured by rental deposits of approximately RMB1,479,000 (2024: RMB1,689,000) as at December 31, 2025.

The incremental borrowing rates applied to lease liabilities range from 4.23% to 5.70% (2024: 4.49% to 5.88%) for the year ended December 31, 2025.

28. BORROWINGS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Bank borrowings	**1,312,873**	1,109,258
Other borrowings relating to sale and leaseback transactions (Note 17)	**118,964**	234,390
Other borrowings pledged by trade receivables	**—**	5,270
Other borrowings from employee (Note i)	**18,170**	—
	1,450,007	1,348,918
Unguaranteed and unsecured	**78,251**	—
Guaranteed and secured (Notes ii & iii)	**377,306**	320,430
Unguaranteed and secured (Note ii)	**305,764**	558,900
Guaranteed and unsecured (Note iii)	**688,686**	469,588
	1,450,007	1,348,918

Notes:

i. During the year ended December 31, 2025, the Group has raised RMB18,170,000 (2024: RMB Nil) borrowings in respect of employee loans. Interest on the employee loans is calculated and paid at a fair market rate of 5% per annum. The borrowings term is one year and payable on demand.

ii. The secured borrowings were secured by the pledge of certain bank deposits, property, plant and equipment, right-of-use assets, investment properties, patents and/or trade receivables.

iii. The guaranteed bank borrowings and other borrowings were guaranteed by the Company and/or certain subsidiaries of the Group.

Bank borrowings relating to discounted bills represented the cash received on bills receivables discounted to various banks with full recourse relates to discounted bills issued among subsidiaries of the Group for intra-group transactions. During the year ended December 31, 2025, the Group has raised RMB60,000,000 (2024: RMB Nil) borrowings in respect of such discounted bills.

28. BORROWINGS (Continued)

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
The carrying amounts of the borrowings are repayable:		
Within one year	**1,416,424**	1,167,496
Within a period of more than one year but not exceeding two years	**33,583**	149,605
Within a period of more than two years but not exceeding five years	**–**	31,817
	1,450,007	1,348,918
Less: Amounts due within one year shown under current liabilities	**1,416,424**	1,167,496
Amounts shown under non-current liabilities	**33,583**	181,422

The exposure of the Group's borrowings are as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Fixed-rate borrowings	**1,450,007**	1,348,918

As at December 31, 2025, borrowings carry interest at 2.63% to 6.00% (2024: 3.25% to 6.48%) per annum.

29. CONTRACT LIABILITIES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Sales of goods	**63,287**	106,093

As at January 1, 2024, the carrying amounts of contract liabilities were approximately RMB42,173,000.

The contract liabilities were expected to be recognised as revenue in the next 12 months.

29. CONTRACT LIABILITIES

The following table shows how much of the revenue recognised related to carried forward contract liabilities.

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in contract liability balance at the beginning of the year — sales of goods	**105,130**	41,907

30. GOLD LOANS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Gold loans	**547,796**	359,087

The Group borrows gold from bank for 3 months to 12 months and pays a fixed fee to bank for the duration of the contract based on the value of gold at inception and relevant interest rates at inception. At maturity, the Group is obliged to deliver gold of the same type, quantity and quality to bank. The Group does not have an option to settle its obligation in cash. Gold loans representing the obligation to deliver gold are classified as liabilities at FVTPL at initial recognition.

The fair value of gold loans is determined with reference to quoted market bid price of gold traded in active liquid markets and classified as Level 2 of the fair value hierarchy.

The gold loans were secured by the pledge of certain bank deposits and property, plant and equipment and guaranteed by the Company and/or certain subsidiaries of the Group.

31. REFUND LIABILITIES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Refund liabilities	**24,464**	49,510
Analysed for reporting purposes as:		
Non-current liabilities	**11,520**	26,097
Current liabilities	**12,944**	23,413
	24,464	49,510

32. SHARE CAPITAL AND SHARES HELD FOR SHARE AWARD SCHEME

	Number of shares '000	Share capital RMB'000	Shares held for share award scheme RMB'000
Issued and fully paid:			
At January 1, 2024	229,067	229,067	—
Issue of shares upon IPO (Note i)	43,956	43,956	—
At December 31, 2024	273,023	273,023	—
Purchase of shares (Note ii)	—	—	(139,698)
At December 31, 2025	**273,023**	**273,023**	**(139,698)**

Notes:

i On November 29, 2024, the Company was successfully listed on the Main Board of The Stock Exchange following the completion of issuance of approximately 43,956,000 new shares of RMB1.00 each, issued at an offer price of HKD12.00 per share and the total proceed was HKD527,482,000 (equivalent to approximately RMB487,156,000). An amount of RMB443,200,000, being the excess of the consideration received over the par value of the ordinary shares, was credited to share premium and share issue cost of RMB41,524,000 was debited to the share premium.

ii During the year ended December 31, 2025, the Company purchased 10,008,000 (2024: nil) shares of its own ordinary shares from the Stock Exchange through a trustee, which was for future share award scheme. The aggregate consideration of shares purchased was HKD149,540,000 (equivalent to RMB139,698,000) and has been deducted from shareholders' equity. The details of purchase are as below:

	Number of ordinary shares '000	Average price per share RMB	Aggregate consideration paid RMB'000
Month of purchase:			
April 2025	472	16.49	7,783
May 2025	2,326	16.45	38,253
November 2025	7,210	12.99	93,662

33. RETIREMENT BENEFITS SCHEME

The PRC employees of the Group are members of a state-managed retirement benefits plan operated by the government of the PRC. The Company and its PRC subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefits plan to fund the employee benefits. The only obligation of the Group with respect to the retirement benefits plan is to make the specified contributions.

The retirement benefits cost charged to profit or loss or capitalised in inventories of approximately RMB19,274,000 (2024: RMB19,507,000) for the year ended December 31, 2025, represents contributions paid/payable to the plan by the Group at rates specified in the rules of the plan.

As at December 31, 2025 and 2024, the Group had no forfeited contributions under the above retirement benefits scheme which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available as at December 31, 2025 and 2024 under such scheme which may be used by the Group to reduce the contribution payable in future years.

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities:

	Borrowings	**Amounts due to the controlling shareholder**	**Lease liabilities**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	790,041	—	15,992	806,033
Additions	—	—	18,342	18,342
Lease modifications	—	—	22	22
Termination of leases	—	—	(11,674)	(11,674)
Finance costs (Note 8)	52,585	—	1,016	53,601
Other non-cash movements	—	—	(1,088)	(1,088)
Financing cash flows	506,292	—	(9,059)	497,233
At December 31, 2024	1,348,918	—	13,551	1,362,469
Additions	—	—	5,880	5,880
Lease modifications	—	—	(360)	(360)
Termination of leases	—	—	(1,888)	(1,888)
Finance costs (Note 8)	64,245	73	454	64,772
Other non-cash movements	—	—	(26)	(26)
Financing cash flows	36,844	11,927	(6,966)	41,805
At December 31, 2025	**1,450,007**	**12,000**	**10,645**	**1,472,652**

35. OPERATING LEASING ARRANGEMENTS

The Group as lessor

Undiscounted lease payments receivable on leases are as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Within one year	**2,210**	1,935
In the second year	**1,880**	1,080
In the third year	**125**	—
	4,215	3,015

36. CAPITAL COMMITMENTS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**9,671**	5,362

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of the financial instruments

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Financial assets:		
Financial assets at amortised cost	**1,450,825**	1,310,792
Financial liabilities:		
Financial liabilities at amortised cost	**1,833,108**	1,836,030
Lease liabilities	**10,645**	13,551

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables, pledged/restricted deposits, cash and cash equivalents, trade and bills payables, other payables, amounts due to the controlling shareholder and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign currency risk, interest rate risk, commodity price risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Foreign currency risk

Certain transactions of the Group are denominated in foreign currencies, which expose the Group to foreign currency risk. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as at the end of each reporting period are as follows:

	Assets	
	As at December 31,	
	2025	2024
	RMB'000	RMB'000
US Dollar ("**USD**")	**121,762**	16,236
Euro ("**EUR**")	**672**	1
HKD	**8,556**	459,377
Australian Dollar	**2**	7

	Liabilities	
	As at December 31,	
	2025	2024
	RMB'000	RMB'000
USD	**12,808**	917

The Group currently does not have a foreign currency hedging policy. However, the management of the Group will monitor foreign exchange exposure closely and consider the usage of hedging instruments when the need arises.

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Foreign currency risk (Continued)

As at December 31, 2025 and 2024, the following table details the Group's sensitivity to a 5% increase and decrease in HKD and USD against RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax profit and other equity where HKD or USD strengthen 5% against RMB. For a 5% weakening of HKD or USD against RMB, there would be an equal and opposite impact on the profit and other comprehensive income and the amounts below would become negative.

	HKD Impact		USD Impact	
	As at December 31, 2025 RMB'000	As at December 31, 2024 RMB'000	**As at December 31, 2025 RMB'000**	As at December 31, 2024 RMB'000
Profit or loss and other comprehensive income	**336**	17,227	**4,506**	643

(ii) Interest rate risk

The Group's fair value interest rate risk relates primarily to pledged/restricted deposits (Note 24), fixed-rate borrowings (Note 28), gold loans (Note 30), lease liabilities (Note 27) and amounts due to the controlling shareholder (Note 40). The Group's cash flow interest rate risk are mainly concentrated on the fluctuation of interest rates on bank balances, which carry prevailing market interest rates. The Group and the Company manage interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. No sensitivity analysis on cash flow interest rate risk is presented as the management considers the sensitivity on interest rate risk on bank balances is insignificant.

(iii) Commodity price risk

The Group is principally engaged in the sales of jewellery including gold products in the PRC. The gold market is influenced by global as well as regional supply and demand conditions. A significant decline in prices of gold could adversely affect the Group's financial performance. In order to reduce the commodity price risk, the Group uses gold loans as well as derivative financial instruments of gold contracts, such as Au (T+D) contracts, to reduce its exposure to fluctuations in the gold price on gold products. Should the gold price go up, the Group would recognise a loss representing the increase in gold price compared to the contract price, and largely net against the increase in turnover of gold products as a result of gold price increase.

The Au (T+D) contracts are settled on a daily basis and the differences between the contract price and market price are immediately recognised in the consolidated statements of profit or loss and other comprehensive income. The gold loans are settled at maturity which usually mature in 3 to 12 months from date of inception and the fair value changes are immediately recognised in the consolidated statements of profit or loss and other comprehensive income. The gold price exposures are monitored by management in a timely manner.

As at December 31, 2025, if the market price of gold had increased/decreased by 5%, post-tax profit for the year ended December 31, 2025, due to changes in fair values of gold loans, would have been approximately RMB20,542,000 (2024: RMB13,466,000) lower/higher.

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iv) Other price risk

The Group is exposed to price risk in respect of its financial products issued by banks classified as financial assets at FVTPL.

The management of the Group considers the fluctuation in fair value changes on financial products are insignificant, taking into account their short-term duration.

Credit risk

The Group's exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is primarily attributable to trade receivables, other receivables, pledged/restricted deposits, cash and cash equivalents and financial products measured at FVTPL.

Except for financial products measured at FVTPL, the Group and the Company performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

The Group's pledged/restricted deposits and cash and cash equivalents are deposited with banks or exchange or online payment platforms with high credit ratings and the Group and the Company have limited exposure to any single financial institution or counterparty.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals, other monitoring procedures to ensure that follow-up action is taken to recover overdue debts and summarising of the credit-impaired information for further impairment assessment. The Group's trade receivables are due from a large number of customers. As at December 31, 2025 and 2024, less than 10% of the total trade receivables were due from the Group's top five customers, respectively. The management closely monitors the subsequent settlement of the customers.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets subject to ECL assessment
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL — not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

The Group

			Gross carrying amount	
			As at December 31,	
	Internal credit rating	**12m or lifetime ECL**	**2025 RMB'000**	2024 RMB'000
Financial assets at amortised cost				
Trade receivables (Note 22)	N/A (Note i)	Lifetime ECL (provision matrix)	**255,449**	274,985
	Loss	Lifetime ECL — credit-impaired	**35,762**	41,877
			291,211	316,862
Other receivables (Note 23)	Low risk	12m ECL	**94,575**	16,382
	Loss	Lifetime ECL — credit-impaired	**1,386**	—
			95,961	16,382
Pledged/restricted deposits (Note 24)	Low risk	12m ECL	**606,405**	466,621
Cash and cash equivalents (Note 24)	Low risk	12m ECL	**501,089**	556,167

Note:

i. For trade receivables, the Group have applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for trade receivables relating to customers with significant doubt on collection of receivables, the Group and the Company determine the ECL on these items on a collective basis, grouped by debtors' aging.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment because the debtors consist of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. In addition, as at December 31, 2025, debtors with gross carrying amounts of RMB35,762,000 (2024: RMB41,877,000) were assessed individually.

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. As at December 31, 2025, the loss rates of trade receivables assessed ECL collectively using a provision matrix is 0.59% for those aged within 1 year, 1.62% for those aged between 1 and 2 years, and 2.83% for those aged between 2 and 3 years (2024: 0.06% for aged within 3 years).

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
At January 1, 2024	60	36,312	36,372
Transfer to credit-impaired	(1)	1	—
Impairment losses recognised	108	4,556	4,664
Impairment losses reversed	(3)	(550)	(553)
At December 31, 2024	164	40,319	40,483
Impairment losses recognised	1,539	—	1,539
Impairment losses reversed	(1)	(4,557)	(4,558)
At December 31, 2025	**1,702**	**35,762**	**37,464**

The following tables show reconciliation of loss allowances that has been recognised for other receivables.

	12m ECL RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
At January 1, 2024	3,461	—	3,461
Impairment losses recognised	1,231	—	1,231
Impairment losses reversed	(58)	—	(58)
At December 31, 2024	4,634	—	4,634
Impairment losses recognised	768	1,386	2,154
Impairment losses reversed	(501)	—	(501)
At December 31, 2025	**4,901**	**1,386**	**6,287**

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Note: The Group writes off a trade receivable or other receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs earlier.

Liquidity risk

In the management of the liquidity risk, the management of the Group monitors and maintains a reasonable level of cash and cash equivalents which is deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group entered into supplier finance arrangements to ease access to finance for a supplier of the Group. The Group's bills payables under supplier finance arrangements are issued by a few banks, this results in the Group having obligation of settlement concentrated in these banks. As the bills payable under supplier finance arrangements are part of the working capital used in the Group's normal operating cycle, the management of the Group monitors and maintains a reasonable exposure of such liabilities. Therefore, the management does not consider the supplier finance arrangements result in significant liquidity risk of the Group. Details of the arrangements are set out in Note 25.

The following tables detail the Group's remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group or the Company can be required to pay.

	Weighted average interest rate	On demand or within 1 year RMB'000	Over 1 year but within 2 years RMB'000	Over 2 years but within 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
As at December 31, 2024						
Financial liabilities						
Trade and bills payables	—	394,083	—	—	394,083	394,083
Other payables	—	93,029	—	—	93,029	93,029
Borrowings	3.25%–6.48%	1,197,547	152,477	36,389	1,386,413	1,348,918
Subtotal		1,684,659	152,477	36,389	1,873,525	1,836,030
Lease liabilities	4.49%–5.88%	7,907	5,133	1,209	14,249	13,551
Total		1,692,566	157,610	37,598	1,887,774	1,849,581

37. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Weighted average interest rate	On demand or within 1 year RMB'000	Over 1 year but within 2 years RMB'000	Over 2 years but within 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
As at December 31, 2025						
Financial liabilities						
Trade and bills payables		265,845	–	–	265,845	265,845
Other payables		105,256	–	–	105,256	105,256
Borrowings	2.63%–6.00%	1,441,175	36,232	–	1,477,407	1,450,007
Amounts due to the controlling shareholder	4.85%	12,584	–	–	12,584	12,000
Subtotal		1,824,860	36,232	–	1,861,092	1,833,108
Lease liabilities	4.23%–5.70%	5,842	2,228	3,258	11,328	10,645
Total		1,830,702	38,460	3,258	1,872,420	1,843,753

Fair value measurements of financial instruments

Management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of debt and equity balances. The Group's overall strategy remains unchanged during the years ended December 31, 2025 and 2024.

The capital structure of the Group consists of net debt, which includes borrowings disclosed in Note 28, gold loans disclosed in Note 30, amounts due to the controlling shareholder in Note 40, lease liabilities disclosed in Note 27, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, Shares held for share award scheme, retained profits and other reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through new shares issues as well as raising of borrowings.

39. MAJOR NON-CASH TRANSACTIONS

For sale of gold products, the Group allows customers to use used gold products as part of the consideration for the transaction price. For the year ended December 31, 2025, used gold as part of the consideration paid by franchisees and provincial-dealers amounted to RMB10,646,202,000 (2024: RMB7,473,063,000), and used gold paid by customers from self-operated stores amounted to RMB95,878,000 (2024: RMB97,449,000).

During the year ended December 31, 2025, the Group entered into gold loan contracts with physical settlement amounting to RMB596,818,000 (2024: RMB787,972,000) and made settlement amounting to RMB482,499,000 (2024: RMB893,659,000). Such borrowings and settlements, which are delivered by the inventories, are presented in the consolidated statements of cash flows as non-cash transactions.

During the year ended December 31, 2025, the Group entered into certain new lease agreements for the use of leased properties. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of RMB5,880,000 (2024: RMB18,342,000) during the year ended December 31, 2025.

40. RELATED PARTY DISCLOSURES

(A) Related party transactions

During the current and prior years, the Group have entered into the following transactions with related parties:

Purchase of services from the controlling shareholder

		For the year ended December 31,	
Relationship	**Nature of transactions**	**2025 RMB'000**	2024 RMB'000
The controlling shareholder	Short-term lease expenses	**—**	343
The controlling shareholder	Interest expenses on the controlling shareholder's loan	**73**	—
		73	343

Loan from the controlling shareholder

		For the year ended December 31,	
Relationship	**Nature of transactions**	**2025 RMB'000**	2024 RMB'000
The controlling shareholder	Proceeds from the controlling shareholder's loan	**68,000**	—
The controlling shareholder	Repayment of the controlling shareholder's loan	**(56,000)**	—
		12,000	—

40. RELATED PARTY DISCLOSURES

(B) Related party balances

		As at December 31,	
Relationship	Nature of balances	**2025 RMB'000**	2024 RMB'000
The controlling shareholder	Amounts due to the controlling shareholder	**12,000**	—
		12,000	—

Beginning in October 2025, Ms. Zhang Xiuqin, one of the controlling shareholders, provided loans to the Group. As at December 31, 2025, the outstanding loan balance was at RMB12,000,000, with an interest rate of 4.8% per annum. The loan has a term of one year, with a prepayment option at any time.

(C) Remuneration of key management personnel of the Group

	For the year ended December 31,	
	2025 RMB'000	2024 RMB'000
Salaries and other allowances	**3,982**	3,526
Performance-based bonuses	**1,915**	4,455
Retirement benefits scheme	**175**	351
	6,072	8,332

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

At the end of the reporting period, the Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiaries	Place and date of incorporation/ establishment/ operations	Issued and fully paid ordinary share capital/ registered capital	Proportion ownership interest and voting power held by the Company as at December 31, 2025	December 31, 2024	Principal activities	Direct/indirect
Shandong Yifu* 山東億福金業珠寶首飾有限公司	The PRC August 2, 2007	RMB 76,614,000.00	**100%**	100%	Jewellery production	Direct
Shandong Mokingran Jewellery Limited* 山東夢金園珠寶首飾有限公司	The PRC April 5, 2004	RMB 60,000,000.00	**100%**	100%	Jewellery wholesale	Direct
Shandong Mokingran E-Commerce Limited* 山東夢金園電子商務有限公司	The PRC December 12, 2014	RMB 3,000,000.00	**100%**	100%	Jewellery retail	Indirect
Shenzhen Mokingran E-Commerce Limited* 深圳夢金園電子商務有限公司	The PRC August 22, 2018	RMB 3,000,000.00	**51%**	51%	Jewellery retail	Indirect
Shanghai Yuanjunmeng Diamond Limited* 上海緣君夢鑽石有限公司	The PRC December 3, 2014	RMB 1,000,000.00	**100%**	100%	Diamond wholesale	Indirect
HONG KONG MOKINGRAN JEWELLERY GROUP LIMITED 香港夢金園國際珠寶集團有限公司	Hong Kong April 25, 2003	HKD 2,000,000.00	**100%**	100%	Jewellery wholesale	Indirect
Beijing Mokingran Jewellery Limited* 北京夢金園珠寶首飾有限公司	The PRC August 21, 2017	RMB 5,000,000.00	**100%**	100%	Jewellery wholesale	Direct
Guangdong Mokingran Jewellery Limited* 廣東夢金園珠寶首飾有限公司	The PRC August 1, 2017	RMB 2,000,000.00	**100%**	100%	Jewellery wholesale	Direct
Nanjing Mokingran Jewellery Limited* 南京夢金園珠寶首飾有限公司	The PRC September 24, 2013	RMB 5,000,000.00	**100%**	100%	Jewellery wholesale	Direct
Shenyang Mokingran Jewellery Limited* 瀋陽市夢金園珠寶首飾有限公司	The PRC April 7, 2015	RMB 5,000,000.00	**100%**	100%	Jewellery wholesale	Direct
Hangzhou Mokingran Jewellery Limited* 杭州夢金園珠寶首飾有限公司	The PRC August 26, 2016	RMB 5,000,000.00	**100%**	100%	Jewellery wholesale	Direct
Tianjin Mokingran Jewellery Limited* 天津夢金園珠寶首飾有限公司	The PRC November 27, 2015	RMB 1,000,000.00	**100%**	100%	Jewellery retail	Direct
Zhongbao Zhengxin Gold & Silver Jewellery Testing Limited* 中寶正信金銀珠寶首飾檢測有限公司	The PRC March 26, 2013	RMB 2,000,000.00/ RMB 50,000,000.00	**100%**	100%	Jewellery testing	Direct
Tianjin Chengxin Gold Limited* 天津誠信金業有限公司	The PRC September 8, 2003	RMB 200,000,000.00	**100%**	100%	Jewellery retail	Direct

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name of subsidiaries	Place and date of incorporation/ establishment/ operations	Issued and fully paid ordinary share capital/ registered capital	Proportion ownership interest and voting power held by the Company as at December 31, 2025	December 31, 2024	Principal activities	Direct/indirect
Jinan Chengxin Mokingran Jewellery Limited* 濟南誠信夢金園珠寶首飾有限公司	The PRC May 15, 2019	RMB 1,000,000.00	**100%**	100%	Jewellery retail	Indirect
Beijing Chengxin Mokingran Jewellery Limited* 北京誠信夢金園珠寶首飾有限公司	The PRC March 9, 2010	RMB 5,000,000.00	**100%**	100%	Jewellery retail	Direct
Shenzhen Mokingran Jewellery Limited* 深圳市夢金園珠寶首飾有限公司	The PRC December 10, 2010	RMB 80,000,000.00	**100%**	100%	Jewellery wholesale	Direct
Lhasa Jinqianhui Technology Limited* 拉薩金千匯科技有限公司	The PRC April 1, 2024	RMB 300,000.00/ RMB 1,000,000.00	**51%**	51%	Jewellery retail	Indirect
Changle Mokingran Jewellery Limited* 昌樂夢金園珠寶有限公司	The PRC April 11, 2024	RMB 1,000,000.00	**100%**	100%	Jewellery wholesale	Direct
Tianjin Chirui Technology Research & Development Limited* 天津馳瑞科技研發有限公司	The PRC December 25, 2024	RMB 250,000,000.00	**100%**	100%	Jewellery wholesale	Direct
Tianjin Yifu Technology Research & Development Limited* 天津億福科技研發有限公司	The PRC December 30, 2024	—/RMB 50,000,000.00	**100%**	100%	Jewellery wholesale	Indirect
Hangzhou Mengjinyuan Media Co., Ltd.* 杭州夢金園傳媒有限公司	The PRC May 14, 2025	RMB 100,000.00	**51%**	—	Jewellery retail	Indirect
Elegante Qualita Limited	Hong Kong February 6, 2025	HKD 10,000,000.00	**100%**	—	Jewellery wholesale	Indirect

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

* English name is for identification purpose only. The subsidiaries registered under PRC law are limited liability companies.

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Non-current Assets		
Property, plant and equipment	**80,525**	22,857
Right-of-use assets	**18,316**	2,572
Investment properties	**19,343**	58,205
Intangible assets	**2,996**	3,082
Investments in subsidiaries	**2,117,412**	1,716,412
Deferred tax assets	**51,146**	29,639
Prepayments, deposits and other receivables	**2,679**	117,976
Other non-current assets	**195**	—
	2,292,612	1,950,743
Current Assets		
Inventories	**106,300**	192,722
Trade receivables	**111,772**	1,288
Amounts due from subsidiaries	**285,807**	204,177
Prepayments, deposits and other receivables	**117,656**	172,138
Pledged/restricted deposits	**203,892**	77,674
Cash and cash equivalents	**189,772**	478,331
	1,015,199	1,126,330
Current Liabilities		
Trade payables	**1,121**	981
Amounts due to subsidiaries	**1,132,401**	948,958
Amounts due to the controlling shareholder	**12,000**	—
Other payables and accruals	**13,986**	11,501
Tax liabilities	**4,891**	—
Borrowings	**428,002**	422,455
Gold Loans	**222,588**	—
Contract liabilities	**19,381**	1,635
	1,834,370	1,385,530
Net Current Liabilities	**(819,171)**	(259,200)
Total Assets less Current Liabilities	**1,473,441**	1,691,543
Non-current Liability		
Borrowings	**—**	18,000
	—	18,000
Net Assets	**1,473,441**	1,673,543

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

	As at December 31, 2025 RMB'000	2024 RMB'000
Capital and Reserves		
Share capital	**273,023**	273,023
Shares held for share award scheme	**(139,698)**	—
Reserves	**1,340,116**	1,400,520
Total Equity	**1,473,441**	1,673,543

43. RESERVES OF THE COMPANY

	Share premium RMB'000	Share-based payments reserve RMB'000	Statutory reserve RMB'000	Retained profits RMB'000	Total RMB'000
At January 1, 2024	511,082	71,244	66,991	490,672	1,139,989
Loss and total comprehensive expense for the year	—	—	—	(49,518)	(49,518)
Issue of shares upon IPO (Note 32)	443,200	—	—	—	443,200
Share issue costs for IPO	(41,524)				(41,524)
Dividend declared (Note 15)	—	—	—	(91,627)	(91,627)
	401,676	—	—	(91,627)	310,049
At December 31, 2024	912,758	71,244	66,991	349,527	1,400,520
Profit and total comprehensive income for the year	—	—	—	21,503	21,503
Appropriation to statutory reserve	—	—	2,150	(2,150)	—
Dividend declared (Note 15)	—	—	—	(81,907)	(81,907)
	—	—	2,150	(84,057)	(81,907)
At December 31, 2025	**912,758**	**71,244**	**69,141**	**286,973**	**1,340,116**

44. EVENTS AFTER THE REPORTING PERIOD

Subsequent to December 31, 2025, the board of directors of the Company has resolved to dispose of its equity interests in a 51%-owned subsidiary, Shenzhen Mokingran E-Commerce Limited. The transaction is expected to be completed in 2026.

In this annual report, unless the context otherwise require, the following expressions shall have the following meaning:

"Articles of Association"	the articles of association of the Company, as amended, which became effective on the Listing Date
"Audit Committee"	the audit committee of the Board
"Au (T+D)"	Au (T+D) is a standardized contract employed by the Shanghai Gold Exchange. It involves the delivery of a predetermined amount of gold at a predetermined price on a specified future date
"Beijing Chengxin"	Beijing Chengxin Mokingran Jewellery Limited* (北京誠信夢金園珠寶首飾有限公司), a company established in the PRC on March 9, 2010 and a wholly-owned subsidiary of the Company
"Beijing Mokingran"	Beijing Mokingran Jewellery Limited* (北京夢金園珠寶首飾有限公司), a company established in the PRC on August 21, 2017 and a wholly-owned subsidiary of the Company
"Board" or "Board of Directors"	the board of Directors
"Board Committees"	the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategic and Sustainability Committee
"Tianjin Chengxin Gold"	Tianjin Chengxin Gold Co.,Ltd.* (天津誠信金業有限公司) (formerly known as Changle Chengxin Gold Limited* (昌樂誠信黃金有限公司)), a company established in the PRC on September 8, 2003 and a wholly-owned subsidiary of the Company
"Changle Mokingran"	Changle Mokingran Jewellery Limited* (昌樂夢金園珠寶有限公司), a company established in the PRC on April 11, 2024 and a wholly-owned subsidiary of the Company
"CG Code"	Corporate Governance Code as contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires, references in this annual report to "China" and the "PRC" do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company"	MOKINGRAN JEWELLERY GROUP CO., LTD. (夢金園黃金珠寶集團股份有限公司), a limited liability company established in the PRC on September 8, 2000 and was further converted into a joint stock limited company on June 29, 2018, which was formerly known as "Changle Huaye Jewellery Limited* (昌樂華業珠寶有限公司)", "Tianjin Mokingran Jewellery Limited* (天津夢金園珠寶首飾有限公司)", "Tianjin Mokingran Gold Jewellery Limited* (天津夢金園黃金珠寶有限公司)" and "Mokingran Gold Jewellery Group Limited* (夢金園黃金珠寶集團有限公司)"
"Company Law"	the Company Law of the People's Republic of China

"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. WANG Zhongshan, Ms. ZHANG Xiuqin, Mr. WANG Guoxin, Ms. WANG Na, Jinmeng Partnership, Jinyuan Partnership, Jinlong Partnership and Tianjin Yuanjinmeng
"CSRC"	China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"Employee Share Ownership Scheme"	the employee share ownership scheme adopted by the Company on March 10, 2016
"Employee Shareholding Platforms"	collectively, Jinmeng Partnership, Jinyuan Partnership and Jinlong Partnership
"gold bullion"	gold bullion refers to high purity gold metal bulks primarily sold in bulk as an investment instrument for investors to hedge against currency, inflation and geopolitical risks, and is fundamentally different from gold jewellery which is primarily sold as a consumable good
"Group"	the Company and its subsidiaries
"Guangdong Mokingran"	Guangdong Mokingran Jewellery Limited* (廣東夢金園珠寶首飾有限公司), a company established in the PRC on August 1, 2017 and a wholly-owned subsidiary of the Company
"Hangzhou Mokingran"	Hangzhou Mokingran Jewellery Limited* (杭州夢金園珠寶首飾有限公司), a company established in the PRC on August 26, 2016 and a wholly-owned subsidiary of the Company
"H Share(s)"	ordinary Share(s) issued by the Company with a nominal value of RMB1.00 each, which is/are listed on the Hong Kong Stock Exchange and overseas listed foreign Share(s) traded in Hong Kong Dollars
"HK$" or "Hong Kong Dollars"	Hong Kong dollars and cents, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Mokingran"	HONG KONG MOKINGRAN JEWELLERY GROUP LIMITED (香港夢金園國際珠寶集團有限公司), a company incorporated in Hong Kong on April 25, 2003 and an indirect wholly-owned subsidiary of the Company
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Third Party(ies)"	an individual or a company which, to the best of Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
"Jinlong Partnership"	Tianjin Jinlong Enterprise Management Partnership (Limited Partnership)* (天津金隆企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on March 16, 2016 and a Controlling Shareholder

"Jinan Chengxin"	Jinan Chengxin Mokingran Jewellery Limited* (濟南誠信夢金園珠寶首飾有限公司), a company established in the PRC on May 15, 2019 and an indirect wholly-owned subsidiary of the Company
"Jinmeng Partnership"	Tianjin Jinmeng Enterprise Management Partnership (Limited Partnership)* (天津金夢企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on March 16, 2016 and a Controlling Shareholder
"Jinyuan Partnership"	Tianjin Jinyuan Enterprise Management Partnership (Limited Partnership)* (天津金園企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on March 16, 2016 and a Controlling Shareholder
"K-gold"	alloy formed by fusion of gold and other metals, which the gold purity is no less than 375 and no more than 916
"Latest Practicable Date"	April 22, 2026, being the latest practicable date prior to the publication of this annual report for the purpose of ascertaining certain information contained herein
"Listing"	the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange on November 29, 2024
"Listing Date"	the day of listing of the H Shares on the Main Board of the Hong Kong Stock Exchange, November 29, 2024
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Nanjing Mokingran"	Nanjing Mokingran Jewellery Limited* (南京夢金園珠寶首飾有限公司), a company established in the PRC on September 24, 2013 and a wholly-owned subsidiary of the Company
"Non-competition Agreement"	the non-competition agreement dated November 19, 2024 and entered into by each of the Controlling Shareholders in favor of the Company (for ourselves and as trustee for the benefit of each of our subsidiaries from time to time)
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus issued by the Company dated November 28, 2024
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Reporting Period"	for the year ended December 31, 2025

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Shandong E-commerce"	Shandong Mokingran E-commerce Limited* (山東夢金園電子商務有限公司), a company established in the PRC on December 12, 2014 and an indirect wholly-owned subsidiary of the Company
"Shandong Mokingran"	Shandong Mokingran Jewellery Limited* (山東夢金園珠寶首飾有限公司), a company established in the PRC on April 5, 2004 and a wholly-owned subsidiary of the Company
"Shandong Yifu"	Shandong Yifu Gold Jewellery Limited* (山東億福金業珠寶首飾有限公司), a company established in the PRC on August 2, 2007 and a wholly-owned subsidiary of the Company
"Shanghai Yuanjunmeng"	Shanghai Yuanjunmeng Diamond Limited* (上海緣君夢鑽石有限公司), a company established in the PRC on December 3, 2014 and an indirect wholly-owned subsidiary of the Company
"Share(s)"	shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holders of the Shares
"Shenyang Mokingran"	Shenyang Mokingran Jewellery Limited* (瀋陽市夢金園珠寶首飾有限公司), a company established in the PRC on April 7, 2015 and a wholly-owned subsidiary of the Company
"Shenzhen E-commerce"	Shenzhen Mokingran E-commerce Limited* (深圳夢金園電子商務有限公司), a company established in the PRC on August 22, 2018 owned as to 51% by Shandong E-commerce and 49% by Shenzhen City Gold Chief Executive Technology Culture Co., Ltd.* (深圳市金總裁科技文化有限公司), an Independent Third Party
"Shenzhen Mokingran"	Shenzhen Mokingran Jewellery Limited* (深圳市夢金園珠寶首飾有限公司), a company established in the PRC on December 10, 2010 and a wholly-owned subsidiary of the Company
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
"Tianjin Mokingran"	Tianjin Mokingran Jewellery Limited* (天津夢金園珠寶首飾有限公司), a company established in the PRC on November 27, 2015 and a wholly-owned subsidiary of the Company
"Tianjin Yuanjinmeng"	Tianjin Yuanjinmeng Enterprise Management Consultancy Co., Ltd.* (天津園金夢企業管理諮詢有限公司), a company established in the PRC on November 27, 2015 and a Controlling Shareholder
"Unlisted Share(s)"	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
"Zhongbao Zhengxin"	Zhongbao Zhengxin Gold & Silver Jewellery Testing Limited* (中寶正信金銀珠寶首飾檢測有限公司), a company established in the PRC on March 26, 2013 and a wholly-owned subsidiary of the Company
"%"	per cent