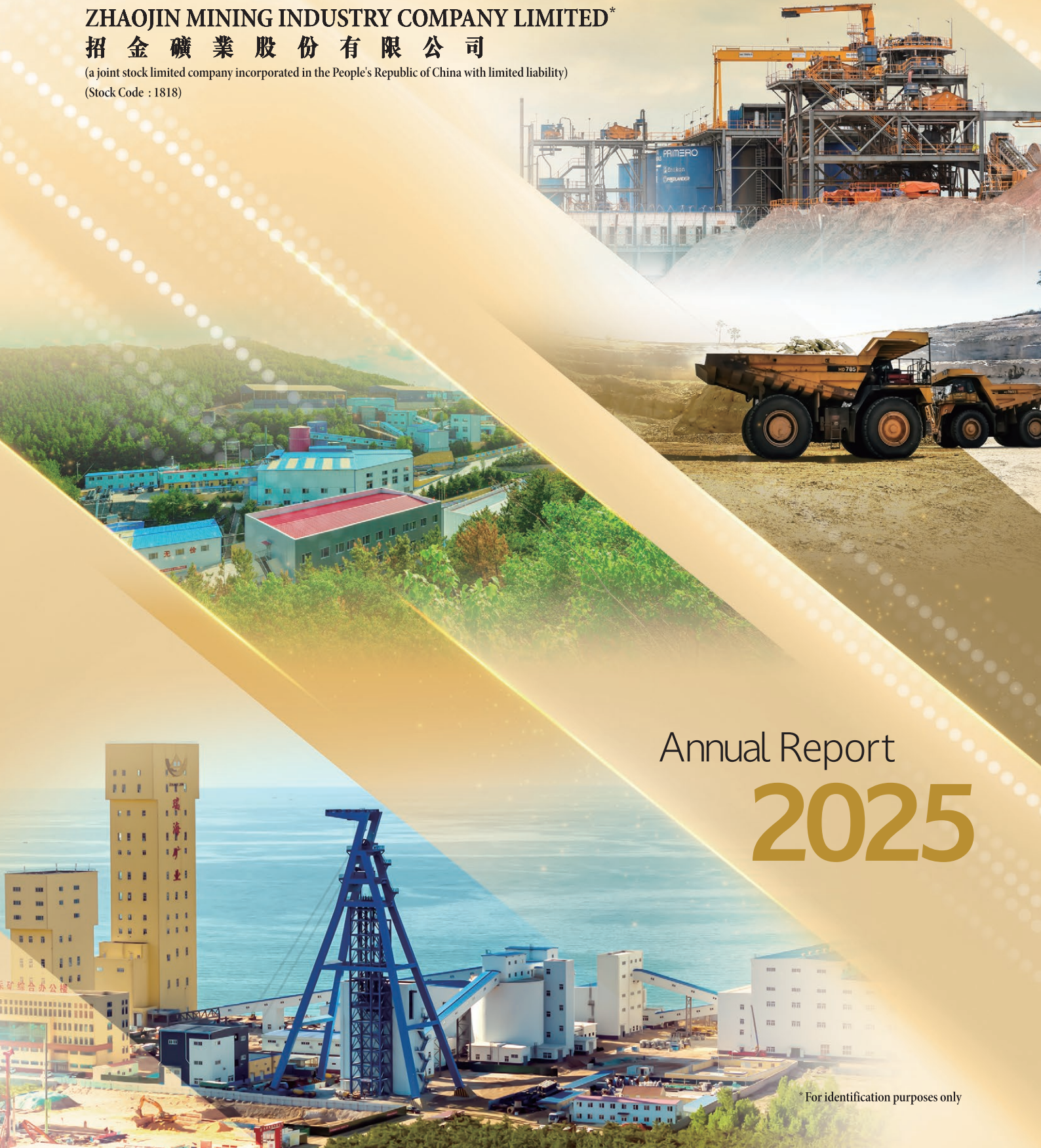




ZHAOJIN

ZHAOJIN MINING INDUSTRY COMPANY LIMITED*
招金礦業股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code : 1818)



Annual Report
2025

* For identification purposes only



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CORPORATE INFORMATION

NAME OF THE COMPANY

招金礦業股份有限公司

ENGLISH NAME OF THE COMPANY

Zhaojin Mining Industry Company Limited*

LEGAL REPRESENTATIVE

Mr. Jiang Guipeng

EXECUTIVE DIRECTORS

Mr. Jiang Guipeng (*Chairman*)
Mr. Duan Lei (*Executive President*)
Mr. Wang Ligang (*Vice President and Board Secretary*)
Mr. Wang Peiwu (*Vice President*)

NON-EXECUTIVE DIRECTORS

Mr. Long Yi (*Vice Chairman*)
Mr. Li Guanghui
Mr. Luan Wenjing

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chen Jinrong
Mr. Choy Sze Chung Jojo
Mr. Wei Junhao
Mr. Shen Shifu

SUPERVISORY COMMITTEE MEMBERS

Mr. Leng Haixiang
(*Chairman of the Supervisory Committee*
(*resigned due to the abolition of the Supervisory*
Committee by the Group on 19 September 2025)
Mr. Hu Jin (*resigned due to the abolition of the*
Supervisory Committee by the Group on
19 September 2025)
Ms. Li Hongai (*appointed on 26 February 2025 and*
resigned due to the abolition of the
Supervisory Committee by the Group on
19 September 2025)
Ms. Zhao Hua (*resigned on 26 February 2025*)

SECRETARY TO THE BOARD

Mr. Wang Ligang

COMPANY SECRETARY

Ms. Ng Ka Man

AUTHORISED REPRESENTATIVES

Mr. Jiang Guipeng
Mr. Duan Lei

AUDIT COMMITTEE MEMBERS

Ms. Chen Jinrong (*Chairman of the Audit Committee*)
Mr. Choy Sze Chung Jojo
Mr. Wei Junhao

STRATEGIC COMMITTEE MEMBERS

Mr. Jiang Guipeng (*Chairman of the Strategic Committee*)
Mr. Long Yi
Mr. Li Guanghui

NOMINATION AND REMUNERATION COMMITTEE MEMBERS

Mr. Choy Sze Chung Jojo (*Chairman of the Nomination*
and Remuneration Committee)
Mr. Wang Ligang
Mr. Wang Peiwu
Ms. Chen Jinrong
Mr. Wei Junhao

GEOLOGICAL AND RESOURCES MANAGEMENT COMMITTEE MEMBERS

Mr. Wei Junhao (*Chairman of Geological and Resources*
Management Committee)
Mr. Li Guanghui
Mr. Shen Shifu

SAFETY AND ENVIRONMENT PROTECTION COMMITTEE MEMBERS

Mr. Duan Lei (*Chairman of the Safety and Environment Protection Committee*)
 Mr. Luan Wenjing
 Mr. Shen Shifu

AUDITORS**INTERNATIONAL AUDITOR:**

Ernst & Young
 27th Floor
 One Taikoo Place
 979 King's Road
 Quarry Bay
 Hong Kong

PRC AUDITOR:

Ernst & Young Hua Ming LLP
(Special General Partnership)
 16th Floor, Ernst & Young Building
 Dongfang Square
 No. 1 East Changan Road
 Dongcheng District
 Beijing
 PRC

LEGAL ADVISERS**PRC LEGAL ADVISER:**

King & Wood Mallesons
 17th Floor, One ICC
 Shanghai International Commerce Center
 999 Middle Huai Hai Road
 Shanghai
 PRC
 Postal code: 200031

HONG KONG LEGAL ADVISER:

Eric Chow & Co. in Association with Commerce & Finance Law Offices
 3401, Alexandra House
 18 Chater Road
 Central
 Hong Kong

* For identification purpose only

REGISTERED OFFICE

No. 118 Wenquan Road
 Zhaoyuan City
 Shandong Province
 PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31st Floor
 Tower Two
 Times Square
 1 Matheson Street
 Causeway Bay
 Hong Kong

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
 Shops 1712-16, 17th Floor
 Hopewell Centre
 183 Queen's Road East
 Wanchai
 Hong Kong

PRINCIPAL BANKERS

Bank of China
 78 Fuqian Road
 Zhaoyuan City
 Shandong Province
 PRC

Agricultural Bank of China
 298 Wenquan Road
 Zhaoyuan City
 Shandong Province
 PRC

COMPANY WEBSITE

www.zhaojin.com.cn

STOCK CODE

1818

CORPORATE PROFILE

Zhaojin Mining Industry Company Limited (“Zhaojin Mining” or the “Company”) (stock code: 1818) has obtained approval from the People’s Government of Shandong Province. The Company was incorporated as a joint stock limited company in the People’s Republic of China (the “PRC” or “China”) on 16 April 2004 and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 December 2006.

The Company is a comprehensive gold producer and gold smelting enterprise integrating exploration, mining, processing and smelting operations, focusing on the development of the gold industry. Principal products of the Company include standard Au9999 and Au9995 gold bullions. The Company’s main production technologies and facilities are leading in the PRC and of advanced international standards. The Company is a national high and new technology enterprise.

The Company is based in the Zhaoyuan city in the Jiaodong peninsula of Shandong Province, the PRC, which is well placed with abundant resources and has a long history of gold exploration and production. According to the statistics provided by the China Gold Association, gold resources in Zhaoyuan city account for approximately 10% of the remaining gold resources in the PRC. Zhaoyuan city is named by the China Gold Association as the “Gold Capital of the PRC” and is the largest gold production base and the first gold production city in the PRC.

Recently, the Company insists on focusing on gold mining as well as technology and management innovation in order to strengthen our technologies and cost advantages in the industry. Thus, the Company has achieved remarkable results in increasing gold reserves, production volume and corporate efficiency every year. As at 31 December 2025, the Company owned a number of subsidiaries and joint stock enterprises nationwide, with their businesses covering major gold production regions in the PRC. As at 31 December 2025, in accordance with the standard set out in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”), the gold ore resources reserve of the Company was approximately 4,837.65 kozs, and the recoverable gold reserves of the Company was approximately 1,675.82 kozs.

Looking ahead, the Company will adhere to the belief of “with resources and capital, all-rounded supported”. The Company is committed to enhancing its quality by strengthening its core business. It also sticks to its development strategy of prioritizing resources as well as scale. Following its realization of “Half for Shandong, half for outside Shandong” development strategy, the Company will endeavour to embark on new “Double H” strategic development of “Half for China, half for outside China”, aiming to build a gold mining company driven by technological innovation that manages high-quality global assets, so as to repay the holders (the “Shareholders”) of the share(s) (the “Share(s)”) of the Company and society with the best results.



SUMMARY OF OPERATING RESULTS

	For the year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	18,055,551	11,550,680	8,423,618	7,885,557	6,859,446
Gross profit	7,570,289	4,521,953	3,370,285	2,655,912	2,692,077
Share of profit/(loss) of associates	20,565	11,680	1,000	(2,533)	25
Share of profit/(loss) of joint ventures	–	(1,494)	–	7	73
Profit before tax	5,569,226	2,228,888	1,126,525	739,205	281,683
Profit attributable to equity holders of the Company	3,613,992	1,450,799	686,430	401,952	33,697
Earnings per Share (RMB)	<u>0.96</u>	<u>0.35</u>	<u>0.14</u>	<u>0.07</u>	<u>0.01</u>

SUMMARY OF ASSETS

	As at 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	57,284,670	53,567,945	46,867,396	45,887,495	43,022,606
Cash and cash equivalents	1,824,913	2,029,825	2,916,103	3,583,213	2,998,213
Total liabilities	28,187,205	28,375,654	(24,623,070)	(25,840,043)	(23,293,732)
Net assets	29,097,465	25,192,291	22,244,326	20,047,452	19,728,874
Net assets per Share (RMB)	<u>8.21</u>	<u>7.4</u>	<u>6.80</u>	<u>6.13</u>	<u>6.03</u>

The above earnings per Share for 2025 is based on the weighted average number of ordinary Shares of 3,510,557,588 (2021: 3,270,393,000; 2022: 3,270,393,000; 2023: 3,270,393,000; 2024: 3,402,393,204) in issue during the year.

The above net assets per Share for 2025 is based on the ending number of ordinary Shares of 3,542,393,204 (2021: 3,270,393,000; 2022: 3,270,393,000; 2023: 3,270,393,000; 2024: 3,402,393,204) in issue during the year.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present the annual report of the Group for the year ended 31 December 2025 (the "Year") on behalf of the board of directors (the "Directors") of the Company (the "Board"). I would also like to express our kind regards to all Shareholders on behalf of the Board and all staff members.

ANNUAL REVIEW

In 2025, the global geopolitical landscape remained volatile, with continuous increases in gold holdings by central banks around the world driving a sharp rise in international gold prices. Under the sound leadership of the Board, all management and staff have firmly pursued the Company's development vision, clarified its strategic pathways and gathered momentum for progress. Focusing on the core objectives of "expanding resources, increasing production, reducing costs and enhancing profitability", the Company delivered an outstanding annual performance marked by simultaneous growth in volume and price, improved quality and efficiency, and solid, encouraging results.

OUTLOOK

2026 marks the inaugural year of the Company's 15th Five-Year Plan, as well as a year for consolidating momentum and accelerating progress toward becoming a global player. We will firmly focus on the main thread of international development, anchor the strategic goals of the Company's 15th Five-Year Plan, and concentrate our efforts to empower growth and tackle key challenges. By deepening our core business, stimulating endogenous innovation drivers, expanding our global footprint, and forging core competitiveness, we will achieve the coordinated advancement of scale, profitability and value. We strive to build a gold mining enterprise driven by technological innovation and engaged in the management of high-quality global assets.



ACKNOWLEDGEMENT

After thousands of filtrations and refinements, gold finally emerges; perseverance leads to a new journey ahead. Looking back on the 14th Five-Year Plan period, the journey of endeavour is unforgettable and the achievements hard-won. These achievements would not have been possible without the diligent efforts of every employee, the trust and support of Shareholders, and the sincere cooperation of business partners.

On behalf of the Board, I would like to express my sincere gratitude and highest respect to all Shareholders, business partners, all staff members and friends from all sectors of society who have cared for and supported the development of the Company over the years. The Group will always uphold the corporate spirit of “pragmatism, innovation, integrity and dedication” and remain committed to the founding mission of “creating value for Shareholders”. We will continue to concentrate our efforts on deepening our core business, improving quality and efficiency, and strive to write a new chapter in high-quality development.



Jiang Guipeng
Chairman

20 March 2026



MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS FOR THE YEAR

GOLD OUTPUT

For the Year, the Group's total output of gold amounted to 27,225.68 kg (approximately 875,325.20 ozs), representing an increase of approximately 2.93% as compared to the previous year. Among which, 19,791.85 kg (approximately 636,322.13 ozs) of gold was mine-produced gold, representing an increase of approximately 7.93% as compared to the previous year, and 7,433.83 kg (approximately 239,003.07 ozs) was smelted and processed gold, representing a decrease of approximately 8.36% as compared to the previous year. The increase in total gold output was mainly due to the optimization of production organization in response to market conditions, higher output from domestic mines, and the consolidation of Abujar Gold Mine* (阿布賈金礦).

REVENUE

For the Year, the Group's revenue was approximately RMB18,055,551,000 (2024: RMB11,550,680,000), representing an increase of approximately 56.32% as compared to the previous year. The increase in revenue was mainly due to the increase in both the selling price and sales volume of gold of the Group.

NET PROFIT

For the Year, the Group's net profit was approximately RMB4,439,749,000 (2024: RMB1,851,333,000), representing an increase of approximately 139.81% as compared to the previous year. The increase in net profit was mainly due to the increase in the Group's gross profit.

EARNINGS PER SHARE

For the Year, the basic and diluted earnings per share attributable to ordinary equity holders of the parent amounted to approximately RMB0.96 and RMB0.96, respectively (2024: RMB0.35 and RMB0.35, respectively), representing an increase of approximately 173.56% and 173.56% respectively as compared to the previous year.

DISTRIBUTION PROPOSAL

The Board proposed the payment of a cash dividend of RMB0.1 per share (tax included) (2024: RMB0.05 (tax included)) to the Shareholders.

Regarding the distribution of cash dividend, dividends for the Shareholders of domestic Shares will be declared and paid in RMB, whereas dividends for the Shareholders of H Shares (the "H Shareholders") will be declared in RMB and paid in Hong Kong dollars.

The proposed distribution proposal for the Year is subject to the approval of the Shareholders at the annual general meeting of the Company for the Year (the "2025 AGM"), which will be held on Monday, 1 June 2026.

If the distribution proposal is approved at the 2025 AGM, it is expected that the final dividend for the Year will be paid on or before Tuesday, 30 June 2026 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 9 June 2026.

Under the relevant tax rules and regulations (collectively the “PRC Tax Law”) of the PRC, the Company is required to withhold and pay the corporate income tax at the rate of 10% when distributing the final dividend to non-resident enterprises (which shall have the meaning as defined under the PRC Tax Law) whose names appear on the H Shares register of members of the Company on Tuesday, 9 June 2026.

In accordance with the PRC Tax Law, the Company is required to withhold and pay individual income tax when distributing the final dividend to individual Shareholders whose names appear on the H Shares register of members of the Company on Tuesday, 9 June 2026. Individual H Shareholders are entitled to certain tax preferential treatments according to the bilateral tax treaties between countries where the individual H Shareholders reside in and China and the bilateral tax treaties between Chinese Mainland and Hong Kong or Macau. The Company will withhold and pay the individual income tax at the tax rate of 10% on behalf of the individual H Shareholders who are Hong Kong residents, Macau residents or residents of those countries which have bilateral tax treaties with China for individual income tax rate in respect of dividend of 10%. For individual H Shareholders who are residents of those countries that entered into agreements with China for individual income tax rates in respect of dividend of lower than 10%, the Company will make applications on their behalf for entitlement of the relevant agreed preferential treatments pursuant to the Announcement of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-resident Taxpayers under Treaties (《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》). For individual H Shareholders who are residents of those countries having bilateral tax treaties with China for individual income tax rates in respect of dividend of higher than 10% but lower than 20%, the Company would withhold and pay the individual income tax at the actual tax rate. For individual H Shareholders who are residents of those countries without any bilateral tax treaties with China or having bilateral tax treaties with China for individual income tax in respect of dividend of 20% and for other situations, the Company would withhold and pay the individual income tax at a tax rate of 20%.

In accordance with the PRC Tax Law, the Company has an obligation to withhold and pay the corporate income tax and individual income tax for payment of the final dividend to non-resident enterprises and individual Shareholders whose names appear on the H Shares register of members of the Company on Tuesday, 9 June 2026. If the resident enterprises (which shall have the meaning as defined under the PRC Tax Law) and overseas resident individual Shareholders whose names appear on the H Shares register of members of the Company on Tuesday, 9 June 2026 do not wish to have the corporate income tax and individual income tax withheld and paid by the Company, they should lodge with Computershare Hong Kong Investor Services Limited the relevant documents issued by the relevant PRC tax authority certifying that they are resident enterprises or individual Shareholders, on or before 4:30 p.m. on Thursday, 4 June 2026. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

The Company will withhold and pay the corporate income tax and individual income tax in strict compliance with the PRC Tax Law and the requirements of the relevant government authorities. The Company shall not be liable for any dispute relating to the withholding and payment of corporate income tax and individual income tax which arises from the failure of non-resident enterprises and individual Shareholders to lodge the relevant documents within the prescribed timeframe as mentioned above.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

In 2025, the international spot gold price experienced a unilateral upward trend throughout the year, driven by a combination of factors including trade tariffs, geopolitical risk hedging, the accommodative monetary policy of the U.S. Federal Reserve (the “Fed”), and continuous gold purchases by central banks. The international spot gold price underwent a period of sideways consolidation from late April to August and then experienced slight downward adjustments during late October and mid-November. For the remaining time of the year, the international spot gold price maintained an upward trajectory. The international spot gold price reached the highest point of US\$4,550.12/oz during the Year.

During the Year, the international gold price opened at US\$2,625.57/oz, and closed at US\$4,310.89/oz, with the highest price at US\$4,550.12/oz and lowest at US\$2,614.90/oz, indicating an annual average price of US\$3,445.30/oz. The opening price of 9995 gold on the Shanghai Gold Exchange (the “SGE”) was RMB626.00 per gram, and the closing price was RMB970.80 per gram, indicating an average annual price of RMB793.92 per gram, and representing a year-on-year increase of 36.70%. The opening price of 9999 gold on the SGE was RMB614.00 per gram, and the closing price was RMB974.90 per gram, indicating an average annual price of RMB798.12 per gram, and representing a year-on-year increase of 45.51%. The opening price of T+D gold on the SGE was RMB618.80 per gram, and the closing price was RMB974.39 per gram, indicating an annual average price of RMB812.39 per gram, and representing a year-on-year increase of 43.68%.

BUSINESS REVIEW

During the Year, gold prices continued to surge, fueled by the convergence of various factors including heightened global geopolitical risks, weakening confidence in US dollar, trade frictions, and consistent gold purchases by global central banks, resulting in market sentiment for gold industry remained buoyant. Leveraging on favourable industry opportunities through advancing the implementation of strategic initiatives, improving quality and increasing efficiency to drive value creation, the Group was able to achieve record-high production and remarkable performance. During the Year, the Company’s market capitalization reached successive new highs with a cumulative growth of over 190%, surpassing the HK\$100 billion milestone for the first time. The Company’s share price peaked at HK\$35.06 per share, demonstrating the investment value of the Group.

Deepening core business and building solid foundation to achieve breakthroughs in increased production and efficiency. During the Year, the Group focused on lean management and continuously optimized its technical indicators. The Group strengthened the scientific coordination and capacity layout, and focused on quality improvement and production increase. In-depth exploration of Xiadian Gold Mine* (夏甸金礦), Dayingezhuang Gold Mine* (大尹格莊金礦) and Zaozigou Gold Mine* (早子溝金礦) progressed smoothly; the AGN mining area in Abujar Gold Mine* (阿布賈金礦AGN礦區) successfully commenced production. During the Year, gold production reached 27,225.68 kg, and profit before tax amounted to approximately RMB5.569 billion, representing significant growth in all main indicators and setting new historical highs.

* For identification purpose only

Focusing on projects to accelerate progress with significant results achieved in capacity expansion and reserves growth. During the Year, Ruihai Mining* (瑞海礦業) achieved efficient underground TBM excavation and successfully completed water-based commissioning of its mineral processing system, reaching initial industrial production capacity; Jintingling Mining* (金亭嶺礦業) obtained a safety production license, marking its transition from the infrastructure construction phase to the production phase; and the construction of the mining and processing project of LION Ltd.* (奧德蘭礦業) was substantially accelerated. At the same time, the Company has established a special geological exploration fund to promote resources expansion plan while enhancing its resources security capabilities. According to the JORC report, the Group had exploration-added gold resources of 71.33 tons in 2025, with a gold resources of 1,504.68 tons, and with recoverable reserves of 521.24 tons.

Stimulating strong scientific research momentum and striving continuous improvement in quality and efficiency. During the Year, the Group strengthened its proprietary innovation efforts by establishing a professional technology committee to carry out in-depth targeted research based on “one enterprise, one project” initiative. The Group made solid progress on 12 key scientific research projects across the entire industry chain, such as technological transformation of the electrolytic cells at Jinchiling Gold Mine* (金翅嶺金礦), thereby empowering quality and efficiency improvement through technological innovations. During the Year, the Company established 5 national and provincial-level special projects, was granted 15 innovation platforms and honors, obtained 12 scientific and technological awards at and above provincial and ministerial level, was granted 115 patents, and applied for 241 patents.

Adhering to the concept of green development and maintaining a stable and effective performance in operations. During the Year, the Group remained steadfast in upholding the principles of responsible gold mining, actively building an ESG development system. During the Year, the Group completed a specialized investment of RMB223 million in safety and environmental protection project. By strengthening risk prevention and hazard rectification as well as focusing on resources conservation and comprehensive utilization, the Group steadily advanced its efforts in ecological restoration, environmental governance, and energy conservation as well as emission reduction. These initiatives have solidified and deepened the Group’s commitment to green and low-carbon development.



* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

Table 1: Statistics of Zhaojin Mining's Mineral Resources (as at 31 December 2025)

No.	Name of mine	Mineral	Unit	Measured+ Indicated	Inferred
1	Xiadian Gold Mine	Gold	Ore (Mt)	25.66	12.32
			Grade (g/t)	2.72	3.37
			Metal (t)	69.89	41.54
2	Canzhuang Gold Mine	Gold	Ore (Mt)	4.27	9.449
			Grade (g/t)	2.97	4.20
			Metal (t)	12.69	39.65
3	Dayingezhuang Gold Mine	Gold	Ore (Mt)	38.31	44.33
			Grade (g/t)	2.55	2.62
			Metal (t)	97.85	115.97
4	Jinchiling Gold Mine	Gold	Ore (Mt)	0.36	0.58
			Grade (g/t)	5.76	9.67
			Metal (t)	2.06	5.58
5	Jintingling Mining	Gold	Ore (Mt)	1.28	1.43
			Grade (g/t)	3.26	10.58
			Metal (t)	4.11	15.15
6	Daqinjie Mining	Gold	Ore (Mt)	0.23	0.20
			Grade (g/t)	3.93	3.55
			Metal (t)	0.92	0.72
7	Ruihai Mining	Gold	Ore (Mt)	51.37	82.64
			Grade (g/t)	4.86	3.78
			Metal (t)	249.66	312.71
8	Zhaojin Beijiang	Gold	Ore (Mt)	0.54	2.03
			Grade (g/t)	3.71	3.95
			Metal (t)	2.00	8.00
9	Minxian Tianhao	Gold	Ore (Mt)	2.91	0.33
			Grade (g/t)	2.51	3.90
			Metal (t)	7.31	1.28
10	Zhaojin Kunhe	Gold	Ore (Mt)	0.14	0.13
			Grade (g/t)	4.90	5.26
			Metal (t)	0.67	0.68
11	Fengningjinlong	Gold	Ore (Mt)	1.77	0.95
			Grade (g/t)	2.87	3.15
			Metal (t)	5.10	3.01
12	Zaozigou Gold Mine	Gold	Ore (Mt)	4.16	9.30
			Grade (g/t)	4.63	3.61
			Metal (t)	19.22	33.63
13	Liangdang Zhaojin	Gold	Ore (Mt)	1.15	8.07
			Grade (g/t)	2.65	2.02
			Metal (t)	3.05	16.32

MANAGEMENT DISCUSSION AND ANALYSIS

No.	Name of mine	Mineral	Unit	Measured+	
				Indicated	Inferred
14	Zhaojin Baiyun	Gold	Ore (Mt)	3.03	6.24
			Grade (g/t)	3.65	2.43
			Metal (t)	11.05	15.14
15	Qinghe Mining	Gold	Ore (Mt)	3.29	1.12
			Grade (g/t)	6.59	4.87
			Metal (t)	21.70	5.45
16	Longxin Mining	Gold	Ore (Mt)	1.22	2.13
			Grade (g/t)	5.28	2.75
			Metal (t)	6.43	5.86
17	Gansu Xinrui	Gold	Ore (Mt)	2.98	5.30
			Grade (g/t)	2.62	2.46
			Metal (t)	7.79	13.02
18	Subei Jinying	Gold	Ore (Mt)	0.33	1.17
			Grade (g/t)	5.70	5.57
			Metal (t)	1.89	6.51
19	Yuantong Mining	Gold	Ore (Mt)	0.63	0.44
			Grade (g/t)	4.60	5.14
			Metal (t)	2.90	2.25
20	Fengye Mining	Gold	Ore (Mt)	0.30	0.57
			Grade (g/t)	6.54	6.47
			Metal (t)	1.96	3.70
21	Jinwang Mining	Gold	Ore (Mt)	59.25	281.42
			Grade (g/t)	0.53	0.51
			Metal (t)	31.60	143.67
22	Fengning Zhaojin	Gold	Ore (Mt)	0.05	0.16
			Grade (g/t)	4.29	3.55
			Metal (t)	0.20	0.57
23	LION Ltd.	Gold	Ore (Mt)	2.28	2.93
			Grade (g/t)	4.88	3.56
			Metal (t)	11.14	10.43
24	Abujar Gold Mine	Gold	Ore (Mt)	56.20	57.03
			Grade (g/t)	1.04	0.95
			Metal (t)	58.25	53.93
25	Jinzhi Mining	Gold	Ore (Mt)	2.55	5.87
			Grade (g/t)	3.27	2.07
			Metal (t)	8.34	12.17
26	Tonghui Mining	Copper	Ore (Mt)	2.07	1.29
			Grade (%)	1.56	1.19
			Metal (kt)	32.26	15.33

MANAGEMENT DISCUSSION AND ANALYSIS

No.	Name of mine	Mineral	Unit	Measured+	
				Indicated	Inferred
27	Dishui Copper Mine	Copper	Ore (Mt)	8.94	16.10
			Grade (%)	1.05	1.01
			Metal (kt)	94.27	162.17
	Total amount of mineral resources	Gold	Ore (Mt)	264.26	536.14
			Grade (g/t)	2.41	1.62
			Metal (t)	637.77	866.91
	Total amount of mineral resources owned by Zhaojin Mining	Copper	Ore (Mt)	11.01	17.39
			Grade (%)	1.15	1.02
			Metal (kt)	126.53	177.51
Gold		Ore (Mt)	222.03	430.45	
		Grade (g/t)	2.34	1.61	
		Metal (t)	519.69	691.20	
Copper	Ore (Mt)	8.97	13.91		
	Grade (%)	1.16	1.02		
	Metal (kt)	104.15	142.23		

Table 2: Statistics of Zhaojin Mining's Recoverable Reserve (as at 31 December 2025)

No.	Name of mine	Mineral	Unit	Measured	Measured+			Inferred	Proved	Probable	Total
					Indicated	Indicated	Inferred				
1	Xiadian Gold Mine	Gold	Ore (Mt)	8.01	17.65	25.66	12.32	7.99	17.61	25.60	
			Grade (g/t)	2.84	2.67	2.72	3.37	2.66	2.50	2.55	
			Metal (t)	22.73	47.16	69.89	41.54	21.25	44.08	65.33	
2	Canzhuang Gold Mine	Gold	Ore (Mt)	1.49	2.79	4.27	9.45	1.49	2.79	4.28	
			Grade (g/t)	2.66	3.13	2.97	4.20	2.48	2.92	2.77	
			Metal (t)	3.96	8.73	12.69	39.65	3.70	8.16	11.86	
3	Dayingezhuang Gold Mine	Gold	Ore (Mt)	5.09	33.22	38.31	44.33	5.13	33.48	38.62	
			Grade (g/t)	2.53	2.56	2.55	2.62	2.28	2.31	2.31	
			Metal (t)	12.89	84.97	97.85	115.97	11.72	77.30	89.02	
4	Jinchiling Gold Mine	Gold	Ore (Mt)	-	0.36	0.36	0.58	0.00	0.39	0.39	
			Grade (g/t)	-	5.76	5.76	9.67	0.00	5.06	5.06	
			Metal (t)	-	2.06	2.06	5.58	0.00	1.95	1.95	
5	Jintingling Mining	Gold	Ore (Mt)	0.09	1.19	1.28	1.43	0.09	1.23	1.23	
			Grade (g/t)	2.52	3.26	3.26	10.58	0.00	2.97	2.97	
			Metal (t)	0.23	3.88	4.11	15.15	0.00	3.65	3.65	
6	Daqinjia Mining	Gold	Ore (Mt)	0.03	0.20	0.23	0.20	0.03	0.21	0.24	
			Grade (g/t)	3.48	3.99	3.93	3.55	3.16	3.63	3.57	
			Metal (t)	0.10	0.82	0.92	0.72	0.10	0.77	0.87	
7	Ruihai Mining	Gold	Ore (Mt)	15.34	36.03	51.37	82.64	14.34	33.69	48.03	
			Grade (g/t)	6.25	4.27	4.86	3.78	5.68	3.88	4.42	
			Metal (t)	95.86	153.80	249.66	312.71	81.48	130.73	212.21	

MANAGEMENT DISCUSSION AND ANALYSIS

No.	Name of mine	Mineral	Unit	Measured+						Total
				Measured	Indicated	Indicated	Inferred	Proved	Probable	
8	Zhaojin Beijiang	Gold	Ore (Mt)	–	0.54	0.54	2.03	–	0.56	0.56
			Grade (g/t)	–	3.71	3.71	3.95	–	3.28	3.28
			Metal (t)	–	2.00	2.00	8.00	–	1.83	1.83
9	Minxian Tianhao	Gold	Ore (Mt)	–	2.91	2.91	0.33	–	2.96	2.96
			Grade (g/t)	–	2.51	2.51	3.90	–	2.32	2.32
			Metal (t)	–	7.31	7.31	1.28	–	6.86	6.86
10	Zhaojin Kunhe	Gold	Ore (Mt)	0.02	0.12	0.14	0.13	0.02	0.12	0.14
			Grade (g/t)	5.45	4.82	4.90	5.26	4.97	4.40	4.47
			Metal (t)	0.09	0.58	0.67	0.68	0.08	0.54	0.62
11	Fengningjinlong	Gold	Ore (Mt)	1.41	0.36	1.77	0.95	1.40	0.36	1.76
			Grade (g/t)	2.86	2.93	2.87	3.15	2.76	2.83	2.77
			Metal (t)	4.04	1.06	5.10	3.01	3.87	1.01	4.89
12	Zaozigou Gold Mine	Gold	Ore (Mt)	1.51	2.64	4.16	9.30	1.59	2.78	4.38
			Grade (g/t)	6.04	3.82	4.63	3.61	5.30	3.35	4.06
			Metal (t)	9.14	10.09	19.22	33.63	8.44	9.32	17.76
13	Liangdang Zhaojin	Gold	Ore (Mt)	–	1.15	1.15	8.07	0.00	1.05	1.05
			Grade (g/t)	–	2.65	2.65	2.02	0.00	2.53	2.53
			Metal (t)	–	3.05	3.05	16.32	0.00	2.66	2.66
14	Zhaojin Baiyun	Gold	Ore (Mt)	–	3.03	3.03	6.24	–	2.89	2.89
			Grade (g/t)	–	3.65	3.65	2.43	–	3.18	3.18
			Metal (t)	–	11.05	11.05	15.14	–	9.17	9.17
15	Qinghe Mining	Gold	Ore (Mt)	–	3.29	3.29	1.12	–	3.90	3.90
			Grade (g/t)	–	6.59	6.59	4.87	–	4.71	4.71
			Metal (t)	–	21.70	21.70	5.45	–	18.36	18.36
16	Longxin Mining	Gold	Ore (Mt)	–	1.22	1.22	2.13	0.00	1.21	1.21
			Grade (g/t)	–	5.28	5.28	2.75	0.00	4.80	4.80
			Metal (t)	–	6.43	6.43	5.86	0.00	5.79	5.79
17	Gansu Xinrui	Gold	Ore (Mt)	–	2.98	2.98	5.30	0.00	2.91	2.91
			Grade (g/t)	–	2.62	2.62	2.46	0.00	2.28	2.28
			Metal (t)	–	7.79	7.79	13.02	0.00	6.62	6.62
18	Subei Jinying	Gold	Ore (Mt)	0.08	0.26	0.33	1.17	0.07	0.19	0.27
			Grade (g/t)	4.55	6.04	5.70	5.57	4.36	4.56	4.48
			Metal (t)	0.35	1.54	1.89	6.51	0.32	0.87	1.19
19	Yuantong Mining	Gold	Ore (Mt)	0.03	0.60	0.63	0.44	0.03	0.60	0.64
			Grade (g/t)	13.43	4.10	4.60	5.14	12.85	3.92	4.40
			Metal (t)	0.46	2.44	2.90	2.25	0.44	2.36	2.81
20	Fengye Mining	Gold	Ore (Mt)	–	0.30	0.30	0.57	–	0.23	0.23
			Grade (g/t)	–	6.54	6.54	6.47	–	5.39	5.39
			Metal (t)	–	1.96	1.96	3.70	–	1.26	1.26
21	Jinwang Mining	Gold	Ore (Mt)	0.61	58.64	59.25	281.42	0.63	2.26	2.89
			Grade (g/t)	2.32	0.51	0.53	0.51	2.04	1.03	1.25
			Metal (t)	1.41	30.19	31.60	143.67	1.29	2.33	3.62

MANAGEMENT DISCUSSION AND ANALYSIS

No.	Name of mine	Mineral	Unit	Measured	Measured+			Inferred	Proved	Probable	Total
					Indicated	Indicated	Inferred				
22	Fengning Zhaojin	Gold	Ore (Mt)	0.01	0.03	0.05	0.16	0.01	0.04	0.05	
			Grade (g/t)	5.23	3.94	4.29	3.55	4.76	3.58	3.90	
			Metal (t)	0.07	0.13	0.20	0.57	0.06	0.13	0.19	
23	LION Ltd.	Gold	Ore (Mt)	-	2.28	2.28	2.93	-	2.27	2.27	
			Grade (g/t)	-	4.88	4.88	3.56	-	4.62	4.62	
			Metal (t)	-	11.14	11.14	10.43	-	10.49	10.49	
24	Abujar Gold Mine	Gold	Ore (Mt)	2.13	54.07	56.20	57.03	2.15	28.58	30.73	
			Grade (g/t)	1.00	1.04	1.04	0.95	0.85	1.17	1.15	
			Metal (t)	2.14	56.11	58.25	53.93	1.83	33.58	35.41	
25	Jinzhi Mining	Gold	Ore (Mt)	-	2.55	2.55	5.87	-	2.14	2.14	
			Grade (g/t)	-	3.27	3.27	2.07	-	3.19	3.19	
			Metal (t)	-	8.34	8.34	12.17	-	6.82	6.82	
26	Tonghui Mining	Copper	Ore (Mt)	0.06	2.01	2.07	1.29	0.06	1.92	1.98	
			Grade (%)	1.35	1.56	1.56	1.19	1.27	1.47	1.46	
			Metal(kt)	0.86	31.40	32.26	15.33	0.77	28.21	28.98	
27	Dishui Copper Mine	Copper	Ore (Mt)	3.29	5.65	8.94	16.10	3.00	5.14	8.14	
			Grade (%)	1.02	1.07	1.05	1.01	0.93	0.98	0.96	
			Metal(kt)	33.69	60.58	94.27	162.17	27.99	50.32	78.31	
Total amount of mineral resources		Gold	Ore (Mt)	35.86	228.40	264.26	536.14	35.01	144.42	179.33	
			Grade (g/t)	4.28	2.12	2.41	1.62	3.84	2.68	2.91	
			Metal (t)	153.45	484.33	637.77	866.91	134.59	386.64	521.24	
		Copper	Ore (Mt)	3.35	7.66	11.01	17.39	3.06	7.07	10.12	
			Grade (%)	1.03	1.20	1.15	1.02	0.94	1.11	1.06	
			Metal(kt)	34.55	91.98	126.53	177.51	28.76	78.53	107.29	
Total amount of mineral resources owned by Zhaojin Mining		Gold	Ore (Mt)	29.42	192.61	222.03	430.45	28.83	124.24	152.98	
			Grade (g/t)	4.00	2.09	2.34	1.61	3.59	2.60	2.79	
			Metal (t)	117.57	402.13	519.69	691.20	103.52	322.79	426.31	
		Copper	Ore (Mt)	2.66	6.31	8.97	13.91	2.42	5.83	8.25	
			Grade (%)	1.03	1.22	1.16	1.02	0.94	1.13	1.07	
			Metal(kt)	27.41	76.75	104.15	142.23	22.82	65.71	88.53	

Notes:

1. The consumption of gold ore reserve in 2025 was 12,393,503 tonnes. The grade was 1.67 gram per tonne. 638 gold exploration drill holes were conducted, 34,144.51 meters of tunneling footage and 255,182 meters of drilling footage were completed.
2. The consumption of copper ore reserve in 2025 was 1,903,520 tonnes. The grade was 1.04%. 551 meters of tunneling footage were completed.
3. For the assumptions adopted for the annual update of resources and/or reserves in the above tables, please refer to "Assumptions Adopted for Annual Update of Resources and/or Reserves" on pages 17 and 18 of this annual report.

ASSUMPTIONS ADOPTED FOR THE ANNUAL UPDATE OF RESOURCES AND/OR RESERVES

The same assumptions as those applied in the 2024 annual report of the Company in accordance with the standards set out in JORC Code were adopted in Tables 1 and 2 above. Relevant updates were made according to our new exploration work and based on the historical data used by technical consultants. As confirmed by the Company's internal experts, there has been no material change to our level of resources and reserves and the changes were mainly attributable to adjustment for production consumption and integration of mining rights.

Assumptions adopted for the annual update of resources and/or reserves are set out as below:

1. GOLD ORE RESOURCE ESTIMATES

a. Mineral resource estimates

Premising on the level of mineral resources as at the end of 2024, Beijing Haidiren Consulting Co., Ltd. ("Beijing Haidiren"), an independent third party resources assessor, updated the estimates by incorporating the mining consumption of gold mineral resources between January to December 2025 and changes in mineral resources from prospecting and exploration during that period. The verification was carried out by Beijing Haidiren on the analysis of the core, geological record and tests in this period.

b. Recoverable reserve estimates

- i. When calculating the recovery rate and the dilution rate using the level of recoverable reserve recognised by the JORC Code, the grade of country rock dilution is assumed to be 0;
- ii. Zhaojin Mining adopted several mining methods in the productive mines, the average of the respective mines' actual mining recovery rate and dilution rate for the latest three years is adopted;
- iii. For mines that are yet to commence mining activities, verified information from development and utilization proposals, assessment reports or geological reports is used;
- iv. The average recovery rate of Zhaojin Mining's 14 gold productive mines was approximately 91.19%, while the dilution rate was approximately 8.58%; and
- v. Beijing Haidiren converted the mineral resources of economically measured and indicated grades into proved and probable reserve according to the overall dilution rate and recovery rate of mining.

MANAGEMENT DISCUSSION AND ANALYSIS

2. COPPER ORE RESOURCE ESTIMATES

a. Mineral resource estimates

Based on the level of mineral resources as at the end of 2024, Beijing Haidiren updated the estimates by incorporating the mining consumption of copper mineral resources between January to December 2025, and changes in mineral resources from prospecting and exploration during that period. The verification was carried out by Beijing Haidiren on the analysis of the core, geological record and tests in this period.

b. Recoverable reserve estimates

- i. When calculating the recovery rate and the dilution rate using the level of recoverable reserve recognised by the JORC Code, the grade of country rock dilution is assumed to be zero;
- ii. Zhaojin Mining adopted several mining methods in the productive mines, the average of the respective mines' actual mining recovery rate and dilution rate for the latest three years is adopted;
- iii. The average recovery rate of a Zhaojin Mining's copper mine was approximately 89.31%, while the dilution rate was approximately 6.59%; and
- iv. Beijing Haidiren converted the mineral resources of economically measured and indicated grades into proved and probable reserve according to the overall dilution rate and recovery rate of mining.

Note: The relevant assumptions and estimates adopted to calculate the reserve and resource in 2025 were in line with the same adopted to calculate the reserve and resource estimates disclosed by the Company in previous years, and there has been no material change to the assumptions adopted.

FINANCIAL ANALYSIS

REVENUE

For the Year, the Group's revenue was approximately RMB18,055,551,000 (2024: RMB11,550,680,000), representing an increase of approximately 56.32% (2024: an increase of approximately 37.12%) as compared to the previous year. The increase in revenue was mainly due to the increase in both the selling price and sales volume of gold of the Group.

COST OF SALES

For the Year, the Group's cost of sales was approximately RMB10,485,262,000 (2024: RMB7,028,727,000), representing an increase of approximately 49.18% (2024: an increase of approximately 39.09%) as compared to the previous year. The increase in cost of sales was mainly due to the increase in the Group's sales volume of gold.

GROSS PROFIT AND GROSS PROFIT MARGIN

During the Year, the Group's gross profit was approximately RMB7,570,289,000 (2024: RMB4,521,953,000), representing an increase of approximately 67.41% (2024: an increase of approximately 34.17%) as compared to the previous year. The increase in gross profit was mainly due to the increase in both the selling price and sales volume of gold of the Group.

During the Year, the Group's gross profit margin was approximately 41.93% (2024: 39.15%), representing an increase of approximately 2.78% (2024: a decrease of approximately 0.86%) as compared to the previous year.

OTHER INCOME AND GAINS

During the Year, the Group's other income and gains were approximately RMB2,276,018,000 (2024: RMB582,509,000), representing an increase of approximately 290.73% (2024: an increase of approximately 10.54%) as compared to the previous year. The increase in other income and gains was mainly due to the increase in gains from changes in the fair value of financial instruments.

SELLING AND DISTRIBUTION EXPENSES

For the Year, the Group's selling and distribution expenses were approximately RMB62,514,000 (2024: RMB48,470,000), representing an increase of approximately 28.97% (2024: an increase of approximately 54.36%) as compared to the previous year. The increase in selling and distribution expenses was mainly due to the increase in sales-related expenses of the Group, such as gold processing fees.

MANAGEMENT DISCUSSION AND ANALYSIS

ADMINISTRATIVE AND OTHER EXPENSES

The Group's administrative and other operating expenses were approximately RMB3,733,084,000 during the Year (2024: RMB2,292,696,000), representing an increase of approximately 62.83% (2024: an increase of approximately 7.51%) as compared to the previous year. The increase in administrative and other expenses was mainly due to the increase in impairment provision recognised in respect of the Group's property, plant and equipment during the Year.

FINANCE COSTS

For the Year, the Group's finance costs were approximately RMB502,048,000 (2024: RMB544,594,000), representing a decrease of approximately 7.81% (2024: a decrease of approximately 10.38%) as compared to the previous year. The decrease in financial costs was mainly due to the decrease in the balance of interest-bearing liabilities of the Group and the decline in the weighted average financing cost rate during the Year.

INCOME TAX EXPENSES

For the Year, the Group's income tax expenses increased by approximately RMB751,922,000 as compared to the previous year. The increase was primarily due to the increase in pre-tax profit for the Year. During the Year, corporate income tax within the territory of the PRC has been provided at a rate of 25% (2024: 25%) on the taxable income (except for the high and new technology enterprises and western-region-development subsidiaries of the Group in China, which are taxed at a preferential rate of 15%). Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the Year. The Group did not incur any Hong Kong profits tax during the Year. The effective tax rate of the Group is 20.28% during the Year (2024: 16.94%).

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

For the Year, the Group's profit attributable to owners of the parent was approximately RMB3,613,992,000, representing an increase of approximately 149.10% (2024: an increase of approximately 111.35%) from approximately RMB1,450,799,000 in 2024, which was mainly due to the increase in both the selling price and sales volume of gold of the Group.

LIQUIDITY AND CAPITAL RESOURCES

The working capital and funds required by the Group are mainly derived from its cash flows generated from operations and borrowings while the Group's capital for operating activities are mainly utilized to support acquisition matters, daily operating capital expenses, and repayment of loans.

CASH FLOWS AND WORKING CAPITAL

The Group's cash and cash equivalents have decreased from approximately RMB2,029,825,000 as at 31 December 2024 to approximately RMB1,824,913,000 as at 31 December 2025, which was mainly due to the partial repayment of debts by the Group at the end of the Year.

As at 31 December 2025, the cash and cash equivalents of the Group denominated in Hong Kong dollars amounted to approximately RMB138,480,000 (2024: RMB15,437,000), those denominated in US dollars amounted to approximately RMB180,771,000 (2024: RMB266,453,000), those denominated in Australian dollars amounted to approximately RMB31,440,000 (2024: RMB28,714,000), those denominated in British pounds amounted to approximately RMB6,349,000 (2024: RMB278,872,000), those denominated in Canadian dollars amounted to approximately RMB20,000 (2024: RMB28,962,000), those denominated in Sierra Leonean Leone amounted to approximately RMB319,000 (2024: RMB338,000), those denominated in West African CFA Franc amounted to approximately RMB192,432,000 (2024: RMB48,548,000), those denominated in Lao Kip amounted to approximately RMB14,000 (2024: nil) and those denominated in Kazakhstani Tenge amounted to approximately RMB3,000 (2024: nil). All other cash and cash equivalents held by the Group are denominated in RMB.

BORROWINGS

As at 31 December 2025, the Group had outstanding bank loans, other borrowings and gold from gold leasing business (namely, the funds that were raised by the Group through leasing gold from bank and subsequently sold through the SGE) of approximately RMB11,715,230,000 (2024: RMB12,984,719,000), of which approximately RMB7,601,750,000 (2024: RMB7,573,647,000) shall be repaid within one year, approximately RMB1,927,513,000 (2024: RMB3,361,037,000) shall be repaid within two to five years and approximately RMB2,185,967,000 (2024: RMB2,050,035,000) shall be repaid over five years. As at 31 December 2025, the Group had outstanding corporate bonds of approximately RMB999,884,000, which shall be repaid in one year (2024: RMB1,999,184,000) and approximately RMB5,997,534,000 (2024: RMB4,996,792,000), which shall be repaid within two to five years.

As at 31 December 2025, all of the interest-bearing bank and other borrowings of the Group were denominated in RMB (2024: all of the interest-bearing bank and other borrowings of the Group were denominated in RMB). As at 31 December 2025, approximately 55.63% of the interest-bearing bank loans and other borrowings held by the Group were at fixed rates.

GEARING RATIO

The Group monitors capital by gearing ratio, which is net debt divided by the total equity plus net debt. Net debt includes interest-bearing bank and other borrowings, corporate bonds, deposits from customers and financial liabilities arising from the gold leasing business less cash and cash equivalents. As at 31 December 2025, the gearing ratio of the Group was 38.4% (31 December 2024: 43.4%). The decrease in gearing ratio was mainly due to the decrease in the Group's interest-bearing debts.

CONTINGENT LIABILITIES

As at 31 December 2025, the contingent liabilities of the Group did not have any change as compared to 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET RISKS

The Group is exposed to various types of market risks, including fluctuation in gold prices and other commodities prices, changes in interest rates and foreign exchange rates.

GOLD PRICES AND OTHER COMMODITIES PRICES RISKS

The Group's exposure to price risk is primarily due to the fluctuations in the market price of gold, which can affect the Group's operational results.

During the Year, the Group has, under certain circumstances, entered into AU (T+D) contracts, which are commodity contracts of deferred delivery. Under the framework of these contracts, the Group can buy or sell gold at day price with a margin payment of 10% of the total trading value, to achieve same day delivery or deferred delivery. There is no restriction imposed on the settlement period. During the Year, the Group has not entered into any long-term AU (T+D) contract framework.

The Group also entered into gold forward contracts on the Shanghai Futures Exchange to hedge price fluctuations of gold.

The price range of the deferred commodity contracts is closely monitored by the management of the Group. Accordingly, a possible fluctuation of 10% in commodity prices would have no significant impact on the Group's profit and equity for the Year.

INTEREST RATE RISK

The Group's exposure to interest rate risk relates primarily to the cash and bank deposits held by the Group, interest-bearing bank and other borrowings and corporate bonds. The Group mainly controls its exposure to interest rate risks associated with certain cash holdings and bank deposits, interest-bearing bank and other borrowings and corporate bonds by placing them into appropriate short-term deposits at fixed or floating rate of interest and at the same time by borrowing at a mixture of fixed or floating rates of interest.

The Group had not used any interest rate swaps to hedge its exposure to interest rate risk during the Year.

FOREIGN EXCHANGE RISK

Most of the Group's transactions were carried out in RMB. The fluctuation in the RMB/US dollars exchange rate may affect international and local gold prices, which may therefore affect the Group's operating results. Fluctuations in the exchange rate may have an adverse effect on net assets of, the earnings of and any dividend declared by the Group in Hong Kong dollars.

RISK OF CHANGE IN INDUSTRY POLICIES

An array of laws, regulations and rules on the gold mining and refinery industry in China constitutes the external regulatory and legal environment for the Company's ordinary and continuous operation and have great influence on the Company's business development, production and operation, domestic and foreign trade, and capital investment etc. Changes in relevant industry policies may have corresponding effects on the Company's production and operation.

PLEDGE

As at 31 December 2025, the Group has not pledged any assets (2024: RMB120,000,000 of discounted bills that were pledged for borrowings from People's Bank of China).

BUSINESS PROSPECTS

In 2026, amid the rising competition from major economies, heightened geopolitical risks, and uncertainties surrounding the Fed's monetary and fiscal policies, the strategic value of gold will continue to rise, and gold is expected to continue demonstrating strong asset allocation appeal. Against this backdrop, the Group will be committed to its internationalization strategy, focus on empowering key sectors, overcome challenges, deepen its core gold business, activate innovation momentum, and achieve a synergistic leap in scale, efficiency, and value.

Focusing on unleashing capacity to drive performance and production growth. The Group will focus on lean production primarily through key performance indicators, optimize core metrics such as grade and recovery rate, improve the comprehensive utilization rate of resources in key mines including Xiadian Gold Mine* (夏甸金礦), Dayingezhuang Gold Mine* (大尹格莊金礦) and Zaozigou Gold Mine* (早子溝金礦); accelerate the development of the APG mining area in Abujar Gold Mine* (阿布賈金礦APG礦區) and the implementation of production and capacity expansion project of LION Ltd.* (奧德蘭礦業) in order to build a growth pattern of "domestic core support with multiple breakthroughs overseas" to ensure that the annual gold production will not be less than 25.91 tons.

Focusing on dual key tasks and accelerating implementation to ensure tangible results. The Group plans to invest RMB2.018 billion in infrastructure technological upgrades to advance the construction of key projects systematically including in-depth mining, smart mines, and green development. Driven by the dual goals of capacity expansion and quality development, the Group aims to ensure the implementation of key projects ahead of schedule to achieve tangible results, which includes accelerating the progress of key projects such as 12,000 tons/day mining and processing at Ruihai Mining* (瑞海礦業), and in-depth exploration of Xiadian Gold Mine* (夏甸金礦) and Dayingezhuang Gold Mine* (大尹格莊金礦), ensuring their timely completion and operations to solidify its production guarantee capacity.

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

Focusing on resources expansion and deepening global footprint. The Group will adhere to a two-pronged approach of “exploration to increase reserves and mergers and acquisitions to improve quality”. On the one hand, the Group will increase internal exploration efforts with a planned investment of RMB221 million in geological exploration throughout the year, focusing on the exploration of resources potential in the deep and surrounding areas of core mining areas so as to ensure an additional output of over 47 tons of gold resource reserves. On the other hand, the Group will expand its reserve space externally through mergers and acquisitions, accelerating the process of mergers and acquisitions and integration centering around key metallogenic belts and exploring quality, potential mining rights projects domestically and overseas, strengthening investment risk control, accurately selecting quality targets, strictly controlling investment risks, and continuously increasing gold resources reserves.

Focusing on innovation-driven growth and expanding efforts in scientific research and technological innovation. To meet the needs of its core business growth, the Group plans to invest RMB40 million in scientific research and technological innovation throughout the year, promoting “one enterprise, one project” initiative to achieve technological breakthroughs, deepening the application of key technologies such as smart mining, efficient mineral processing, and green smelting, together driving the transformation of technological achievements into production efficiency. At the same time, the Group will accelerate the implementation of digital and intelligent applications by building a full-process digital management and control platform, continuously driving the transformation of mine operations towards a “safe, green, and efficient” model.

Focusing on safety and environmental protection to enhance intrinsic safety level. With profound lessons learnt from past incidents, the Group plans to invest RMB299 million in safety and environmental protection initiatives. The Group will carry out regular specialized investigations and rectification actions to eliminate safety and environmental hazards. By strengthening governance at source, process control and closed-loop rectification, the Group aims to refine long-term management mechanism and safeguard the red line of production safety and ecological environmental protection, in order to continuously enhance the Company’s ESG governance standards and sustainable development capabilities.



DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT PROFILE

Details of personnel currently serving as Directors of the Company during the Year and as of the date of this annual report are as follows:

EXECUTIVE DIRECTORS

Mr. Jiang Guipeng, was born in January 1979, graduated from the Shandong University of Technology* (山東理工大學), majoring in mining engineering, and is a senior engineer. He currently serves as an executive Director and the chairman of the Company. Mr. Jiang currently also serves as the director and the vice chairman of Shandong Zhaojin Group Company Limited* (山東招金集團有限公司) (“Zhaojin Group”), the director of Sparky International Company Limited (斯派柯國際有限公司), the director and general manager of Shandong Zhaojin Ruining Mining Co., Ltd.* (山東招金瑞寧礦業有限公司), director of Zhaojin International Gold Co., Ltd* (招金國際黃金股份有限公司) and other positions. Mr. Jiang served successively as the director and section chief of Xiadian Gold Mine* (夏甸金礦) of the Company, the deputy mine director of Dayingezhuang Gold Mine* (大尹格莊金礦) of the Company, the general manager of Tuoli Zhaojin Xinhe Mining Company Limited* (托里縣招金鑫合礦業有限公司), the general manager of Gansu Hezuo Zaozigou Mining Industry Company Limited* (甘肅省合作早子溝金礦有限責任公司), the assistant to the president of the Company, the regional director of the Company in Gansu, the safety director of the Company and the president of the Company. Mr. Jiang has won the Mount Taishan Industrial Leading Talents and the first prize of Science and Technology Award from China Gold Association and Xinjiang Uygur Autonomous Region Model Worker and other honorary titles. Mr. Jiang has served as an executive Director of the Company since January 2022 and the chairman of the Company since March 2023.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT PROFILE

Mr. Duan Lei, was born in March 1982, graduated from Shandong University of Science and Technology* (山東科技大學) with a bachelor's degree in mining engineering, and is a senior engineer. He currently serves as an executive Director and executive president of the Company (the "Executive President"). Mr. Duan successively worked at Dahe Gold Mine of Zhaoyuan City* (招遠市大河金礦), Canzhuang Gold Mine* (蠶莊金礦) of the Company, Ruoqiang County Changyun Sanfengshan Gold Mine Co., Ltd.* (若羌縣昌運三峰山金礦有限責任公司), Party affair department of the Company, Shandong Zhaojin Geological Prospecting Co., Ltd* (山東招金地質勘查有限公司) and Dayinggezhuang Gold Mine* (大尹格莊金礦) of the Company, and successively served as section chief, deputy department manager, deputy general manager, mine manager and other positions. Mr. Duan won the second and third prizes of Science and Technology Award from China Gold Association, the Outstanding Leader of TnPM Equipment Management, the National Skillful Worker of Machinery, Metallurgy and Building Materials Industry and other awards. Mr. Duan has served as an executive Director and Executive President of the Company since March 2023.

Mr. Wang Ligang, was born in July 1972. He graduated from Shandong Economic University* (山東經濟學院) majoring in labour economy management and obtained an EMBA degree from Tsinghua University* (清華大學) and a Master of Engineering. He has the qualification of Senior Gold Investment Analyst and is an affiliated person to The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries). He is currently an executive Director, the vice president and the secretary to the Board of the Company. Currently, Mr. Wang serves as the director of Sparky International Company Limited (斯派柯國際有限公司), the director of Zhaojin (Hainan) International Holdings Limited and other positions. Mr. Wang has served in various managerial positions for Zhaoyuan Beijie Gold Mine* (招遠市北截金礦) and Zhaojin Group. Since 2004, he has served as a director of the general manager's office and director of the Board office of the Company, assistant to Board secretary of the Company and general manager of Sparky International Company Limited. Mr. Wang has been the secretary to the Board of the Company since December 2007, has served as the vice president of the Company since February 2013 and has served as an executive Director of the Company since March 2018.

Mr. Wang Peiwu, was born in November 1974, graduated from Shandong University of Mining and Technology* (山東礦業學院) with a bachelor's degree in mining engineering, and is a senior engineer. He previously worked at Shandong Fengyuan Coal Company Limited* (山東豐源煤炭有限責任公司). Mr. Wang joined Zijin Mining Group Company Limited ("Zijin Mining", together with its subsidiaries, collectively referred to as "Zijin Mining Group") in February 2000 and successively served as the deputy manager of Yongding Rare Earth Project* (永定稀土項目) of Zijin Mining Group, the deputy director of Site Management and Mining Plant Office of Zijinshan Gold Mine Engineering Office* (紫金山金礦工程處現場管理、採礦廠辦公室), the deputy director of engineering department of Xizang Jindi Mining Company Limited* (西藏金地礦業有限責任公司), the director of mining plant of Xinjiang Jinbao Mining Company Limited* (新疆金寶礦業有限責任公司), the assistant general manager of Xinjiang Zijin Mining Company Limited* (新疆紫金礦業有限責任公司), the deputy general manager of investment department of Zijin Mining Group, the general manager of Gansu Yate Mining Company Limited* (甘肅亞特礦業有限公司), the general manager of Chongli Zijin Mining Company Limited* (崇禮紫金礦業有限責任公司), the executive deputy general manager of Wancheng Commerce Dongshengmiao Company Limited* (萬城商務東升廟有限責任公司) and the deputy mine manager of Zijinshan Gold and Copper Mine* (紫金山金銅礦). Mr. Wang has served as an executive Director and vice president of the Company since October 2024.

NON-EXECUTIVE DIRECTORS

Mr. Long Yi, was born in October 1976, graduated from Northeastern University* (東北大學), majoring in mining engineering, and obtained his doctoral degree from Northeastern University in 2022, and is a senior engineer. He currently serves as a non-executive Director and vice chairman of the Company. Mr. Long also currently serves as the vice president of Zijin Mining Group. Mr. Long successively served as a technician in the mining plant and a construction manager in the Phase IV technical improvement underground engineering department of Zijinshan Gold Mine* (紫金山金礦), deputy director of the office of the construction command and deputy director of the underground engineering department of Zijinshan Copper Mine* (紫金山銅礦), assistant to the general manager of Xinjiang Jinbao Mining Co., Ltd.* (新疆金寶礦業有限公司), deputy general manager of Fuyun Jinshan Mining Co., Ltd.* (富蘊金山礦冶有限公司), deputy general manager and general manager of Xinjiang Jinbao Mining Co., Ltd.* (新疆金寶礦業有限公司), general manager of Xinjiang Ashele Copper Co., Ltd.* (新疆阿舍勒銅業股份有限公司), assistant to president of Zijin Mining Group and manager of the Zijinshan Gold and Copper Mine* (紫金山金銅礦), chief safety officer of Zijin Mining Group, general manager of La Compagnie Minière de Musonoié Global Société par Actions Simplifiée, general manager of the overseas business department of Zijin Mining Group, general manager of Serbia Zijin Bor Copper doo Bor and other positions. Mr. Long has been a non-executive Director of the Company since November 2022.

Mr. Li Guanghui, was born in January 1972, graduated from Hebei Coal Construction Engineering College* (河北煤炭建築工程學院) majoring in mining engineering and obtained a master's degree in business administration from the University of International Business and Economics* (對外經濟貿易大學), Doctoral candidate in Advanced Manufacturing at Central South University and is a senior engineer. He currently serves as a non-executive Director of the Company, the deputy general manager of Zhaojin Group and the chairman of Zhaojin Non-Ferrous Mining Company Limited* (招金有色礦業有限公司) ("Zhaojin Non-Ferrous"). Mr. Li successively served as a member of the production technology section of Zhaoyuan Luoshan Gold Mine* (招遠市羅山金礦), the deputy manager of the marketing department of Zhaojin Group, the deputy general manager of Shandong Anshenghua Jewelry Co., Ltd.* (山東安盛華珠寶首飾有限公司), the deputy general manager of Shandong Zhaojin Gold and Silver Refinery Company Limited* (山東招金金銀精煉有限公司), the deputy general manager of Yongxing Zhaojin Precious Metal Processing Manufacturing Co., Ltd.* (永興招金貴金屬加工製造有限公司), the executive deputy general manager and general manager of Shandong Zhaojin Yinlou Jewelry Co., Ltd.* (山東招金銀樓珠寶有限公司), the manager of Canzhuang Gold Mine* (蠶莊金礦) of the Company, the assistant general manager and director of investment and development of Zhaojin Group, and the general manager of Zhaojin Non-Ferrous. Mr. Li has won the second prize of Science and Technology Award from China Gold Association* (中國黃金協會) and the third prize of Innovation and Progress Award for outstanding employees in Shandong Province and other honorary awards. Mr. Li has been a non-executive Director of the Company since January 2022.

Mr. Luan Wenjing, was born in April 1974, graduated from Harbin Institute of Technology (哈爾濱理工大學) with a bachelor's degree in economics, and is a senior economist and senior political engineer. He is a non-executive Director of the Company, and a member of the Party Committee, a director and deputy general manager of Zhaojin Group. Mr. Luan successively served as the director of office of the Party Committee, secretary of the youth league committee, editor-in-chief of Zhaoyuan Gold News* (招遠黃金報), secretary to the board of directors, director of the office of letters and calls, assistant to the chairman of the board of directors and other positions of Zhaojin Group. Mr. Luan has been awarded various honorary titles including Outstanding Cadre of Ideological and Political Work for Staff in Shandong Province* (山東省職工思想政治工作優秀幹部), Advanced Individual of Shandong Entrepreneur Association* (山東省企業家協會先進個人) and Yantai Outstanding Young Worker* (煙台市青年崗位能手). Mr. Luan has been a non-executive Director of the Company since November 2022.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT PROFILE

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chen Jinrong, was born in October 1959. She graduated from Renmin University of China* (中國人民大學) and is an associate professor. She is an accountant in China and a qualified independent director. She is an Independent Non-executive Director of the Company. Ms. Chen is also an independent non-executive director of companies listed on the Shenzhen Stock Exchange, Rendong Holdings Co., Ltd. (仁東控股股份有限公司) (stock code: 002647), and listed on the Stock Exchange, Glory Health Industry Limited (國瑞健康產業有限公司) (stock code: 2329). Ms. Chen mainly focuses on researching into, teaching of and counseling on corporate financial management, analysis of financial report for listed companies and operations of corporate capital, corporate organization and risk control, comprehensive corporate budget management etc. She has solid experience in aspects such as corporate restructuring, comprehensive corporate budget management, capital operations and corporate internal control. Ms. Chen has served as the professor of the School of Economics and management at Tsinghua University, executive Dean of Shandong Bozheng Management Academy and the deputy head of the finance department of China Information Industry Research Institute* (中國信息產業研究院) under the Ministry of Information Industry, director of risk control and capital operation of Shandong Institute of Industrial Technology* (山東產業技術研究院), etc. Ms. Chen was awarded Outstanding Young Teacher in Beijing City and Outstanding Teacher by the Economic Committee of Beijing Municipal Government. Ms. Chen received the “Best Teaching Innovation Award” and “Outstanding Training Contribution Award” from the School of Economics and Management, Tsinghua University for consecutive years. Ms. Chen has been an Independent Non-executive Director of the Company since April 2007.

Mr. Choy Sze Chung Jojo, was born in April 1959. He obtained his Master of Business Administration Degree from the University of Wales, United Kingdom, his Master of Business Law Degree from Monash University, Australia, his Honorary Doctorate of Management from Lincoln University and was awarded fellow of the Canadian Institute of Chartered Management. He is an Independent Non-executive Director of the Company, and also the vice chairman of National Resources Securities Limited* (中潤證券有限公司). Mr. Choy is an independent non-executive director of a company listed on the Main Board of the Stock Exchange namely Luye Pharma Group Ltd.* (綠葉製藥集團有限公司) (stock code: 2186). Mr. Choy is also the permanent honorary president of The Institute of Securities Dealers Limited, a fellow member of The Hong Kong Institute of Directors, a fellow member of Institute of Financial Accountants in the United Kingdom, a fellow member of Institute of Public Accountants in Australia, a fellow member of the Institute of Compliance Officers, a member of the fourth session, the fifth session and the sixth session of the Chief Executive Election Committee of Hong Kong Special Administrative Region, a member of the Election Committee of the 12th, 13th and 14th National People’s Congress of Hong Kong Special Administrative Region, and an honorary principal of Chen Po Sum School. Mr. Choy has extensive experience in the securities industry and corporate governance. Mr. Choy has been an Independent Non-executive Director of the Company since May 2007.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT PROFILE

Mr. Wei Junhao, was born in November 1961. He is a professor (postdoctoral) and doctoral supervisor. Mr. Wei is an Independent Non-executive Director of the Company, and also a professor of China University of Geosciences (Wuhan) Resources Institute. Mr. Wei is also a board member of China Gold Association, a supervision engineer of Central Geological Exploration Fund, standing director of Chinese Association of Mineral Resources Appraisers, senior reserve appraiser of Chinese Association of Mineral Resources Appraisers, member of China Geological Society Overseas Resources Committee and member of China Geological Society Mine Geology Committee, Chief Expert of Mineral Exploration at the Geological Survey and Research Institute of the Mongolian Autonomous Region, External Director of the State owned Assets Management Commission of Hunan Province, and Chairman of the Academic Committee of the Key Laboratory of Hidden Mineral Exploration in Qinghai Province. Mr. Wei has also been an independent director of Pengxin International Mining Co., Ltd* (鵬欣環球資源股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600490) since 7 June 2021. Mr. Wei has engaged in metallogenic prediction and prospecting research for a long time with over 30 years of work experience in geological research and exploration practice. Mr. Wei puts forward “mineralization field theory”, which is very famous in domestic gold industry. Mr. Wei has hosted over 100 national level, provincial level and enterprise projects as project leader. By his effort, Liaoning Wulong Gold Mine increased over 20 tonnes reserves in prospecting ore in resource exhausted mines during 1997-1999. Shanxi Tongguan Gold Mining Company increased 17 tonnes reserves in geological research and prospecting study during 2004-2007. Shandong Yantai Xintai Gold Company increased 15 tonnes reserves in geological prospecting research project during 2006-2009. Qinghai Yushu copper, lead and zinc prospecting project obtained more than 1.2 million reserves. Made major breakthrough in the prospecting of lead and zinc deposits in Xiasai, Sichuan Province. Other prospecting projects also obtained obvious results. Many large-scale domestic professional newspaper such as “China Gold News”, “China Mining News”, and “China Metallurgical News” reported his prospecting results several times. Mr. Wei currently cultivates over 150 masters and doctoral students. Mr. Wei has been an Independent Non-executive Director of the Company since February 2016.

Mr. Shen Shifu, was born in November 1966. He is a professorate senior engineer, recipient of the Special Government Allowance from the State Council, a tutor of doctorate and master candidates. He mainly carries out the research of resources comprehensive utilization technology and mineral processing technology. Mr. Shen is an Independent Non-executive Director of the Company and a chief expert of Mineral Processing Research and Design Institute of BGRIMM Technology Group Co., Ltd.* (礦冶科技集團有限公司選礦研究設計所) (“BGRIMM Group”). Mr. Shen is also an independent non-executive director of Huaiji Dengyun Auto-parts (Holding) Co., Ltd.* (懷集登雲汽配股份有限公司) (stock code: 002715), a company listed on Shenzhen Stock Exchange and China Graphite Group Limited* (中國石墨集團有限公司) (stock code: 2237), a company listed on the Stock Exchange. Mr. Shen once worked at Tsingtao Lubi Cement Co., Ltd. (formerly known as Tsingtao Laoshan Cement Plant) as their director of laboratory, production department manager and manager assistant. Mr. Shen was hired as the deputy director of the Expert Committee on Efficient Utilization of Non-metallic Mineral Resources of the Society of Chinese Mineralogy, Petrology and Geochemistry (中國礦物岩石地球化學學會非金屬礦物資源高效利用專家委員會), professor committee member of China Non-metallic Mineral Industry Association Professional Committee of Graphite* (中國非金屬礦工業協會石墨專業委員會) and expert for the review of dual-use item licenses in China, and expert for the review of mineral resources development and utilization plans in the Ministry of Natural Resources and professor committee member of China Non-ferrous Metals Society Technical Experts Working Committee* (中國有色金屬學會技術專家工作委員會). As the main operator, Mr. Shen has presided over or participated in science technology support project of the Tenth Five-year Plan, the Eleventh Five-year Plan, the Twelfth Five-year Plan, the Thirteenth Five-year and the Fourteenth Five-year key research and development program national high and new technology industrialization projects, State 863 Project, State 973 Project, and major science and technology innovation projects of Shandong Province. Mr. Shen has undertaken more than 100 enterprise commissions (including the beneficiation of various kinds of minerals, the comprehensive utilization of tailings, mineral material and the harmless disposal of hazardous waste and comprehensive utilization of resources). Mr. Shen has been awarded six Ministerial First Prize of Technology Progress, six Institute First Prize of Technology Progress of BGRIMM Group, and more than 50 national patents, published more than 60 papers. Mr. Shen has also been awarded “Top Ten Outstanding Youth” of Laoshan district, Qingdao, Pace-setters in the New Long March, and exemplary individual of National Circular Economy Association, Leading Talents in Technological Innovation and exemplary staff of BGRIMM Group, Mr. Shen has been an Independent Non-executive Director of the Company since February 2016.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT PROFILE

SUPERVISORS

The details of the supervisor of the Company (the “Supervisors”) who resigned or retired during the period from 1 January 2025 to the date of this annual report are set out below:

Mr. Leng Haixiang, was born in December 1971, graduated from Shandong Cadre Correspondence University* (山東幹部函授大學), majoring in law with a bachelor’s degree. Mr. Leng served successively in Zhaoyuan Foreign Economic and Technological Trade Company of Shandong Province* (山東省招遠對外經濟技術貿易公司), Personnel Bureau of Zhaoyuan City, Shandong Province* (山東省招遠市人事局), and Personnel Dispute Arbitration Committee of Zhaoyuan City* (招遠市人事爭議仲裁委員會). He served as Deputy Secretary of the Party Committee and secretary of the Disciplinary Committee of Xiadian Town, Zhaoyuan City* (招遠市夏甸鎮), Deputy Secretary and Mayor of the Party Committee of Daqinjia Town, Zhaoyuan City* (招遠市大秦家鎮), Director and Secretary of the Working Committee of Daqinjia Street, Zhaoyuan City* (招遠市大秦家街道), Secretary of the Party Committee of Canzhuang Town, Zhaoyuan City* (招遠市蠶莊鎮), Deputy Director of the Organization Department of Zhaoyuan Municipal Party Committee* (招遠市市委組織部), Secretary of the Party Group and Director of Zhaoyuan City Human Resources and Society Secretary Bureau* (招遠市人力資源和社會保障局), member of the Party Group, Secretary and Director of the Party Group of the Government Office of Zhaoyuan Municipal Government* (招遠市政府), etc. Mr. Leng won honorary titles such as Shandong Personnel Propaganda Advanced Individual* (山東人事宣傳先進個人), Yantai Beautiful Countryside Construction and Rural Civilization Action Advanced Individual* (煙台市美麗鄉村建設暨鄉村文明行動工作先進個人). Mr. Leng has served as the Shareholder representative Supervisor of the Company and the chairman of the Supervisory Committee since September 2022 and resigned due to the abolition of the Supervisory Committee by the Group on 19 September 2025.

Mr. Hu Jin, was born in May 1976, graduated from Fuzhou University* (福州大學) in 1999 majoring in economic laws and from Luoyang Foreign Trade College* (洛陽外貿學院) in 2008 majoring in law. Mr. Hu successively served as a staff and assistant to general manager of Xiamen Yongyuzhen Trading Co., Ltd.* (廈門永宇臻貿易有限公司), chief foreman of the environmental protection section, dispatcher of the general dispatch office, head of the audit team of the supervision and audit department and deputy section chief of the supervision section of Zijinshan Gold and Copper Mine* (紫金山金銅礦), head of supervision and audit office and deputy general manager of Shandong Jintai Gold Co., Ltd.* (山東金泰黃金有限公司), head of supervision and audit office, chief dispatcher and supervisor of Shanxi Zijin Mining Co., Ltd.* (山西紫金礦業有限公司), deputy general manager of Shandong Guoda Gold Co., Ltd.* (山東國大黃金股份有限公司) and other positions. Mr. Hu has served as the Shareholder representative Supervisor of the Company since November 2022 and resigned due to the abolition of the Supervisory Committee by the Group on 19 September 2025.

Ms. Li Hongai, was born in May 1978, graduated from the Party School of Shandong Provincial Committee* (山東省委黨校) with a major in economics and management. She is a professor-level senior political engineer and senior psychological consultant. She is currently a deputy mine director of Dayingezhuang Gold Mine* (大尹格莊金礦) of the Company. Ms. Li successively served as a director of the general manager’s office, director of the general affairs office and deputy director of administration of Zhaojin Group, the deputy secretary and chairman of the Labor Union of Shandong Zhaojin Geological Prospecting Co., Ltd* (山東招金地質勘查有限公司), and the deputy secretary and chairman of the Labor Union of Shandong Zhaojin Group Zhaoyuan Gold Smelting Company Limited* (山東招金集團招遠黃金冶煉有限公司). Ms. Li has been an employee representative Supervisor of the Company since February 2025 and resigned due to the abolition of the Supervisory Committee by the Group on 19 September 2025.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT PROFILE

Ms. Zhao Hua, was born in January 1977, graduated from Shandong Youth Management Cadre Institute* (山東省青年管理幹部學院) with a major in accounting and is an international accountant, senior international finance manager and political engineer. Ms. Zhao is an employee Supervisor of the Company and deputy secretary of Party Committee and the chairman of the labour union of Canzhuang Gold Mine* (蠶莊金礦) of the Company. She has been the section chief of finance section and deputy manager of Canzhuang Gold Mine* (蠶莊金礦) of the Company, etc. Ms. Zhao has more than 10 years of experience in financial affairs. Ms. Zhao has resigned from her position as the Supervisor of the Company since February 2025.

SECRETARY TO THE BOARD

Mr. Wang Ligang, whose biographical details are set out on page 26 of this annual

COMPANY SECRETARY

Ms. Ng Ka Man, is the senior manager of Listing Services Department of TMF Hong Kong Limited. She has over 19 years of experience in the company secretarial field and is an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

SENIOR MANAGEMENT

Details of personnel currently serving as the senior management of the Company during the Year and as of the date of this annual report are as follows:

Mr. Duan Lei, whose biographical details are set out on page 26 of this annual report.

Mr. Wang Ligang, whose biographical details are set out on page 26 of this annual report.

Mr. Wang Peiwu, whose biographical details are set out on page 26 of this annual report.

Ms. Wang Wanhong, was born in October 1972. She graduated from the University of International Business and Economics* (對外經濟貿易大學) with a master's degree in economics and management, and is a senior economist, senior finance manager and senior human resource management professional. Ms. Wang is the vice president, and the secretary of disciplinary committee of the Company. Ms. Wang has served as the deputy manager of capital operation department, the deputy manager of the finance department, the manager of the human resource department, the director of inspectors office and the human resource director of Zhaojin Group. She has served as the deputy secretary of the disciplinary committee of the Company since August 2015 and the head of the supervisory office of the disciplinary committee of the Company since February 2017. Ms. Wang has been the vice president of the Company with effect from March 2018 and the secretary of the disciplinary committee of the Company since January 2019.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT PROFILE

Mr. Yin Jiwen, was born in August 1979, graduated from the China University of Geosciences (Wuhan)* (中國地質大學(武漢)) majoring in accounting, and he has obtained qualifications of accountant, economist and certified safety engineer. He is currently the chief financial officer of the Company. From July 2003 to October 2022, Mr. Yin successively served as an accountant of finance department and assistant accountant of copper mine construction headquarters of Zijinshan Gold and Copper Mine* (紫金山金銅礦), head of finance and chief financial officer of Qinghai West Copper Co., Ltd.* (青海威斯特銅業有限責任公司), chief financial officer of Zijin International Mining Co., Ltd.* (紫金國際礦業有限公司), chief financial officer of Zijin Mining Group Southwest Co. Ltd.* (紫金礦業集團西南有限公司), chairman of the board of supervisors of Zijin International Mining Co., Ltd.* (紫金國際礦業有限公司), general manager of Shanxi Zijin Mining Co., Ltd.* (山西紫金礦業有限公司), general manager of Luoning Huatai Mining Development Co., Ltd.* (洛寧華泰礦業開發有限公司), manager of Beijing Materials Branch of Zijin International Mining Co., Ltd.* (紫金國際礦業有限公司北京物資分公司), the chief financial officer of Zhongse Zijin Geological Exploration (Beijing) Co., Ltd.* (中色紫金地質勘查(北京)有限責任公司) and other positions. Mr. Yin has served as the chief financial officer of the Company since November 2022.

Details of the senior management of the Company who resigned during the period from 1 January 2025 to the date of this annual report are set out below:

Mr. Tang Lei, was born in May 1973. He graduated from Gold Institute of Northeastern University* (東北大學黃金學院) majoring in geology and mineral exploration and obtained a master's degree in geochemistry from Guilin University of Technology* (桂林工學院) and is a senior engineer. Mr. Tang has served as the head of the middle section of the Laizhou Wangershan Gold Mine* (萊州望兒山金礦) production division, the geological technician of geological prospecting department of the Company, the manager of investment and development department and geological prospecting department of the Company, the deputy general manager and deputy general manager (in charge of work) of Qinghe County Jindu Mining Development Co., Ltd.* (青河縣金都礦業開發有限公司), and Fuyun Zhaojin Mining Co., Ltd.* (富蘊招金礦業有限公司), and the deputy director of resources of the Company, etc. He has won seven provincial and ministerial awards, one national invention patent and five national utility model patents, published two monographs and published 19 scientific papers in core journals at home and abroad. Mr. Tang has resigned from his position as the vice president of the Company since February 2025.

Mr. Wang Chunguang, was born in September 1970. He graduated from the Shandong University of Technology* (山東理工大學) with a bachelor's degree in mining, and is a senior engineer. Mr. Wang has served as the deputy director of Xiadian Gold Mine* (夏甸金礦) of the Company, the general manager of Hebei Fengning Jinlong Gold Industry Co., Ltd.* (河北豐寧金龍黃金工業有限公司) and the general manager of Gansu Hezuo Zaozigou Mining Industry Company Limited* (甘肅省合作早子溝金礦有限責任公司). Since February 2017, Mr. Wang has resigned from his position as the vice president of the Company since September 2025.

The Board hereby presents its report, together with the audited consolidated financial statements for the year ended 31 December 2025.

CORPORATE REORGANISATION

The Company was incorporated as a joint stock limited liability company under the Company Law of the PRC on 16 April 2004. The Company is mainly engaged in the mining, processing, smelting and sale of gold and silver products (the “Relevant Business”). Prior to the incorporation of the Company, the Relevant Business was operated by wholly-owned subsidiaries of Zhaojin Group (a PRC state-owned corporation). Upon the incorporation of the Company, the Relevant Business together with related assets and liabilities were transferred to the Company from Zhaojin Group.

The Company was successfully listed on the Main Board of the Stock Exchange in December 2006.

PRINCIPAL OPERATIONS

The Group is mainly engaged in exploration, mining, ore processing, smelting and sale of gold and other metallic products, being a large integrated mining enterprise specializing in the production of gold. The Group principally produces two kinds of gold products, which are Au9999 and Au9995 gold bullions under the brand of “Zhaojin”. Details of the principal activities of the subsidiaries are set out in note 1 to the financial statements on pages 115 to 118 in this annual report.

During the Year, there was no material change in the principal operations of the Group.

Further discussion and analysis of these activities as required by Schedule 5 of the Hong Kong Companies Ordinance, including the principal risks and uncertainties facing by the Group, analysis using financial key performance indicators and our indication of likely future developments in the Group’s business, can be found in Management Discussion and Analysis set out on pages 8 to 24 in this annual report.

BUSINESS REVIEW

Relevant details about the Group’s business review and outlook are set out in Management Discussion and Analysis on pages 8 to 24 of this annual report.

RESULTS

The Group’s results for the year ended 31 December 2025 are set out in the Consolidated Statement of Profit or Loss on page 106 of this annual report.

MANAGEMENT CONTRACTS

During the Year, the Company did not enter into or have any contracts regarding the overall management or administration of the whole or any substantial part of the business of the Group.

REPORT OF THE DIRECTORS

PROFIT DISTRIBUTION

As of the date of this annual report, the final dividend for the financial year ended 31 December 2024 paid by the Company was approximately RMB177,121,000 (2023: RMB136,092,000). The Board proposed the payment of a final cash dividend of RMB0.10 (tax included) (2024: RMB0.05 (tax included)) per Share to all Shareholders for 2025.

The cash dividend for Shareholders of domestic Shares will be distributed and paid in RMB and the cash dividend for H Shareholders will be declared in RMB and paid in Hong Kong dollars (at the average exchange rate of the medium rate of converting RMB into Hong Kong dollars as quoted by the People's Bank of China for five business days immediately prior to 1 June 2026).

The proposed distributions are subject to the approval by the Shareholders at the 2025 AGM to be held on 1 June 2026.

MAJOR CUSTOMERS AND SUPPLIERS

The total amount of sales to the five largest customers did not exceed 75.68% (2024: 80.52%) of the Group's total amount of sales. The amount of sales to the largest customers was 49.32% (2024: 61.57%) of the Group's total amount of sales.

Transactions between the Group and its suppliers are conducted on normal commercial terms. The total amount of purchases from the five largest suppliers did not exceed 34.71% (2024: 32.11%) of the Group's total amount of purchases. The amount of purchases from the largest supplier was 15.40% of the Group's total amount of purchases.

So far as the Directors are aware, none of the Directors and Supervisors or any of their close associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) or any Shareholders (who to the knowledge of the Director own 5% or more of the number of issued Shares in the Company's share capital) have had any direct or indirect interests in the sole major customer and the five largest suppliers of the Company for the Year.

RESERVES

Details of changes in reserves of the Group for the year ended 31 December 2025 are set out in note 41 to the financial statements on page 214 of this annual report.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company as at 31 December 2025 are set out in note 41 to the financial statements on page 214 of this annual report.

According to the articles of association of the Company (the “Articles of Association”), distributable reserves are based on the profits of the Company prepared according to the PRC Accounting Standards and Hong Kong Financial Reporting Standards, whichever is the lower. According to the PRC Company Law, after transferring appropriate amounts into the statutory surplus reserve fund and statutory public welfare fund, profit after tax can be distributed as dividend.

As at 31 December 2025, in accordance with the PRC Accounting Standards, the relevant laws of the PRC and the Articles of Association, the distributable reserves of the Group amounted to approximately RMB8,323,205,000 (2024: RMB5,301,104,000), of which approximately RMB354,239,000 are proposed to be the final cash dividend of the Year (2024: RMB170,120,000).

DIVIDEND POLICY

The Company has adopted a dividend policy pursuant to which it will pay dividends annually, taking into consideration the criteria described below and the fiduciary duties of the Directors. Subject to Shareholders’ authorization at a general meeting, the Company may also declare interim or special distributions in addition to the annual distributions.

It is anticipated that the annual distributions will be announced annually in the announcement of annual results, and the decision of the Board on whether any interim distributions will be declared will be announced in the announcement of interim results. Dividends will be declared in RMB, with the dividends on H Shares to be paid in Hong Kong dollars, and the dividends on domestic Shares to be paid in RMB.

The Company will review its dividend policy and distributions made in any particular year in light of its financial position, the prevailing economic climate and the expectations of the future macroeconomic environment and business performance. The decision to make distributions will be made at the discretion of the Board and will be based upon the Company’s operations and earnings, development pipeline, cash flow, financial conditions, capital and other reserve requirements and surplus, general financial conditions, contractual restrictions and any other conditions or factors which the Board deems relevant, and having regard to the Directors’ fiduciary duties. The ability of the Company to make distributions is subject to the laws and regulations of the PRC and the Articles of Association. The payment of distributions may also be subject to the restrictions of the PRC laws and the financing agreements of the Company (including any financing agreements that may be entered into by the Company in the future) and will operate in accordance with the law and the regulations in order to comply with the relevant requirements.

PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTY

Details of changes in property, plant and equipment of the Group during the Year are set out in note 13 to the financial statements on pages 172 to 174 of this annual report.

The Group did not hold any property for development and/or sale.

REPORT OF THE DIRECTORS

SHARE CAPITAL

During the Year, details of changes in share capital of the Company are set out in note 39 to the financial statements on page 211 of this annual report.

CHARITABLE DONATIONS

During the Year, the Group made various kinds of charitable donations which amounted to RMB8,488,092 (2024: RMB28,074,061) in total.

BANK BORROWINGS

Details of bank borrowings of the Company and the Group are set out in note 33 to the financial statements on pages 203 to 204 of this annual report.

TAXATION

During the Year, the Company and its subsidiaries were subject to the PRC enterprise income tax at a rate of 25% of taxable profits according to the requirements under the PRC Enterprise Income Tax Law which became effective on 1 January 2008. The relevant details are set out in note 10 to the financial statements on pages 168 to 171 of this annual report.

PRE-EMPTIVE RIGHTS

There is no provision or regulation for pre-emptive rights under the Articles of Association or the PRC laws which requires the Company to issue new Shares to the existing Shareholders according to their respective proportions of shareholding.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares). The Company did not hold any treasury shares as at the end of the Year.

CONVERTIBLE SECURITIES, SHARE OPTIONS, WARRANTS OR SIMILAR RIGHTS

During the Year, save for disclosed in this annual report, the Company did not issue any convertible securities, share options, warrants or similar rights.

During the Year and up to the date of this annual report, the Group has no share option scheme.

DIRECTORS AND SUPERVISORS

During the Year and as at the date of this annual report, the Company's Directors and Supervisors are listed as follows:

EXECUTIVE DIRECTORS

Mr. Jiang Guipeng (*Chairman*)
Mr. Duan Lei (*Executive President*)
Mr. Wang Ligang (*Vice President and Board Secretary*)
Mr. Wang Peiwu (*Vice President*)

NON-EXECUTIVE DIRECTORS

Mr. Long Yi (*Vice Chairman*)
Mr. Li Guanghui
Mr. Luan Wenjing

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chen Jinrong
Mr. Choy Sze Chung Jojo
Mr. Wei Junhao
Mr. Shen Shifu

SUPERVISORS

Mr. Leng Haixiang (*Chairman of the Supervisory Committee*)
(resigned due to the abolition of the Supervisory Committee by the Group on 19 September 2025)
Mr. Hu Jin (*resigned due to the abolition of the Supervisory Committee by the Group on 19 September 2025*)
Ms. Li Hongai (*appointed on 26 February 2025 and resigned due to the abolition of the Supervisory Committee by the Group on 19 September 2025*)
Ms. Zhao Hua (*resigned on 26 February 2025*)

REPORT OF THE DIRECTORS

PROFILES OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT PERSONNEL

Details of the profiles of the Directors, Supervisors and senior management are set out on pages 25 to 32 of this annual report.

TERMS OF SERVICE OF THE DIRECTORS

According to the requirements of the Articles of Association, the terms of service of the Directors of the Company are for three years from their respective dates of appointment or re-appointment, and the Directors are subject to re-appointment or re-election upon the expiry of their term.

REMUNERATION OF THE DIRECTORS AND SUPERVISORS

The remuneration of each Director and Supervisor was approved at general meetings. Other emoluments will be determined by the Board of the Company with reference to the duties, responsibilities, performance of the Directors and Supervisors and the operating results of the Group.

Details of the remuneration of the Directors and Supervisors are set out in note 9 to the financial statements on pages 163 to 167 of this annual report. No Directors waived or agreed to waive any emoluments during the year ended 31 December 2025.

SERVICE CONTRACTS OF THE DIRECTORS

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract with the Company, for a term of three years.

Neither the Directors nor have a service contract with the Company with a term specifying that if the Company terminates the contract within one year, the Company has to make compensation in addition to statutory compensation.

MATERIAL TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE IN WHICH DIRECTORS OR SUPERVISORS HAVE MATERIAL INTERESTS

None of the Directors or Supervisors (or the entities connected with the Directors or the Supervisors) had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during the Year.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance in respect of legal actions arising out of corporate activities against the current Directors and senior management of the Company and its associated companies and the Directors and senior management of the Company and its associated companies who resigned during the Year. The permitted indemnity provision is in force for the benefit of the Directors as required by the provisions of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

ENVIRONMENT PROTECTION AND PERFORMANCE

The Group recognises the importance of environmental protection and has adopted stringent measures for environmental protection to ensure our compliance of prevailing environmental protection laws and regulations. The Group has established a Safety and Environment Protection Committee, details of which could be found on pages 88 to 89 of this annual report.

The Group has adopted environmental protection measures and established a reliable system for environmental protection to prevent and control pollution levels and harm caused to the environment in the form of waste gas, waste water, solid waste, dust, etc. in the course of production or other activities in accordance with these environmental laws and regulations.

In addition, discussion on the key relationships with the Group's major stakeholders, the Group's environmental policy and performance as well as compliance with relevant laws and regulations which have significant impact on the Group are set out in the Company's 2025 Environmental, Social and Governance Report (the "ESG Report"). The ESG Report will be published separately on the websites of the Company (www.zhaojin.com.cn) and the HKEX news website of the Stock Exchange (www.hkexnews.hk).

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of complying with regulatory requirements and the risk of non-compliance with such requirements of which could lead to serious adverse consequences. The Group has sufficient resources to ensure ongoing compliance with rules and regulations and to effectively maintain cordial working relationships with relevant authorities through effective communication.

To the best of our knowledge, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the Year. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group. The Group also complies with the requirements under the Companies Ordinance, the Listing Rules and the Securities and Futures Ordinance (the "SFO") during the Year.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognizes the accomplishment of the employees by providing competitive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents were found during the Year.

REPORT OF THE DIRECTORS

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The Group monitors its tendering and procurement process closely so that the entire process would be conducted in an open, fair and just manner.

The Group values the views and opinions of all customers through various means and channels and the Group has maintained good relationship with its customers during the Year.

MATERIAL CONTRACTS IN WHICH CONTROLLING SHAREHOLDERS HAVE INTERESTS

Particulars of the material contracts entered into between the Company (or any of its subsidiaries) and the controlling Shareholder (or any of its subsidiaries) were disclosed in the section headed "Connected Transactions and Continuing Connected Transactions" on pages 45 to 55 of this annual report.

FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals in the Group during the Year include two Directors. Full details of the five highest paid individuals' remuneration are set out in note 9 to the financial statements on pages 163 to 167 of this annual report.

REMUNERATION POLICY OF THE GROUP AND NUMBER OF EMPLOYEES

It is the Company's policy that the remuneration is linked to the Company's results and performance of employees. The Company's human resources department formulates appraisal benchmarks for different businesses and professions and assesses an employee's remuneration according to his/her performance. Studies are being made to the scale of management positions and technical positions in the salary distribution system to enhance the salary increment and promotion ladder. We encourage professional and technical personnel to be dedicated to their own jobs and improve professional and technical skills, so as to create integration between job value and distribution of remuneration. The Company also presents diversified development paths to its staff in order to increase their initiative and creativity.

As of 31 December 2025, the Company had a total of 7,157 employees. The Company attached great importance to the long-term occupational planning and development of its employees, formulated programs for occupation and qualification training for the development of both the employees and the Company, bore training cost for its employees and created an agreeable environment for occupational development, aiming at providing multi-level occupational training with continuous policy, organizational and financial support. The Company held various trainings during the Year, including induction training for new employees, management training for middle and senior management, professional training on geological exploration and safety training. The training costs incurred by the Company amounted to RMB5,576,600 during the Year.

In addition, details of the pension schemes operated by the Group are set out in note 2.4 to the financial statements on page 144 of this annual report.

SHARE CAPITAL AND SHAREHOLDERS' INFORMATION

1. NUMBER OF SHAREHOLDERS

Details of the number of Shareholders recorded in the register of members as at 31 December 2025 are as follows:

Classification	Number of Shareholders
Domestic Shares	1
Overseas-listed foreign shares – H Shares	<u>1,148</u>
Total number of Shareholders	<u><u>1,149</u></u>

2. PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Board confirms that the public float of the Company has met the requirement of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, and to the knowledge of the Directors and chief executives of the Company, no person had any interests or short positions in the Shares or underlying shares of the Company which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

To the best knowledge of the Directors and chief executive of the Company, as at 31 December 2025, the interests and short positions of the substantial Shareholders in the issued share capital of the Company which will be required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or holding 5% or above in the issued share capital of the Company which will be required to be notified to the Company are as follows:

Name of Shareholders	Class of Shares	Capacity	Number of Shares held	Approximate	Approximate	Approximate	Short position/ Lending pool
				percentage of shareholding in the registered capital of the Company %	percentage of shareholding in the total number of Shares of the Company %	percentage of shareholding in the total number of issued H Shares of the Company %	
1 Shandong Zhaojin Group Company Limited	Domestic Shares	Beneficial owner	660,837,607 <i>(Note 1)</i>	18.66	100	-	Long position
	H Shares	Beneficial owner	517,773,402 <i>(Note 1)</i>	14.62	-	17.97	Long position
	H Shares	Interest of controlled corporation	70,842,195 <i>(Notes 1 and 2)</i>	2.00	-	2.46	Long position
2 Zijin Mining Group Co., Ltd.	H Shares	Interest of controlled corporation	644,805,741 <i>(Note 3)</i>	18.20	-	22.38	Long position
3 Gold Mountains (H.K.) International Mining Co., Limited	H Shares	Beneficial owner	644,805,741 <i>(Note 3)</i>	18.20	-	22.38	Long position

Notes:

- (1) Pursuant to Section 336 of the SFO, the Shareholders of the Company are required to file disclosure of interests forms when certain criteria are fulfilled and the full details of the requirements are available on the official website of the Securities and Futures Commission. When a Shareholder's shareholding in the Company changes, it is not necessary for the Shareholder to notify the Company and the Stock Exchange unless certain criteria are fulfilled, therefore substantial Shareholders' latest shareholding in the Company may be different to the shareholding filed with the Company and the Stock Exchange.
- (2) Zhaojin Group holds 100% equity interests in Zhaojin Non-Ferrous and therefore the 50,967,195 H Shares held by Zhaojin Non-Ferrous in the Company is shown as long position of Zhaojin Group. Luyin Trading Pte Ltd. ("Luyin") is a wholly-owned subsidiary of Zhaojin Group and therefore the 19,875,000 H Shares held by Luyin is shown as long position of Zhaojin Group.
- (3) Zijin Mining is indirectly interested in the Shares of the Company through its 100% interest in Gold Mountains (H.K.) International Mining Co., Limited ("Gold Mountains (H.K.) International").

As at 31 December 2025, save as disclosed above and to the best knowledge of the Directors and senior management of the Company, no person had any interests or short positions in the Shares or underlying shares of the Company which were required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or holding 5% or above in the issued share capital of the Company which will be required to be notified to the Company.

CHANGES IN DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INFORMATION

Save as disclosed in this report, there are no other changes in information of the Directors, Supervisors and chief executives of the Company required to be disclosed under Rule 13.51B(1) of the Listing Rules since the Company's last published interim report and up to the date of this annual report.

REPORT OF THE DIRECTORS

EQUITY-LINKED AGREEMENT – EMPLOYEE SHARES SUBSCRIPTION PLAN (“ESSP”)

On 29 December 2015, the Board passed resolutions to implement ESSP by way of private placement of domestic Shares to certain directors and employees of the Company and its subsidiaries under the name of an asset management plan (“Asset Management Plan”).

On the same date, in view of the proposed ESSP, the Company entered into a conditional share subscription agreement with Minmetals Securities Co., Ltd. (on behalf of the Asset Management Plan and its agent).

On 26 May 2016, the Company obtained the approval from State-owned Assets Supervision and Administration Commission of Shandong Province on implementing the ESSP by way of private placement.

On 19 September 2016, this ESSP was approved at the general meeting of the Company.

On 25 October 2016, funding for this ESSP was in place and the operation of the related Asset Management Plan started officially on the same date.

On 31 March 2017, the Company has completed the share registration procedures with China Securities Depository and Clearing Corporation Limited in connection with the issuance of the new domestic Shares under specific mandate for the Asset Management Plan. The total number of new Shares issued by the Company under the ESSP was 80,000,000 (which represented approximately 2.63% of the enlarged total issued share capital of the Company immediately following the completion of the relevant issue). The employees shall be entitled to the interest in the Shares upon completion of the allotment.

Relevant details were set out in the announcements and circular of the Company dated 29 December 2015, 29 July 2016 and 31 March 2017 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

On 7 August 2020, the new Shares issued by the Company pursuant to the ESSP were converted from domestic Shares into H Shares.

At the Board meeting convened on 20 October 2022, the Board approved the extension of the ESSP to 31 March 2027. At the same time, the term of the Asset Management Plan corresponding to the ESSP was correspondingly extended to 25 October 2026. Relevant details were set out in the announcement dated 20 October 2022 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn. As at the date of this annual report, the remaining term of the ESSP was approximately 1 year and 6 months. During the Year, the Company did not grant any Shares and/or interests under the ESSP to any person.

On 16 January 2023, the Asset Management Plan corresponding to the ESSP has reduced 50% of its shareholding in the Shares of the Company in accordance with the wishes of participating employees, which was a total of 40,000,000 Shares.

On 12 July 2024, the Asset Management Plan corresponding to the ESSP has reduced 50% of its remaining shareholding in the Shares of the Company in accordance with the wishes of participating employees, which was a total of 40,000,000 Shares.

As of 31 December 2025, none of the employees held interests under the ESSP.

RIGHTS OF DIRECTORS AND SUPERVISORS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in this report, none of the Directors and Supervisors had any interests in the share capital or debt securities of the Company or any of its associated corporations (as defined in the SFO). None of the Directors, Supervisors and their spouses and children below 18 years old was granted rights to subscribe for the share capital or debt securities of the Company or any of its associated corporations and there was no exercise of such rights by any of such persons.

At no time during the Year had the Company or any of its subsidiaries, holding companies or any fellow subsidiaries entered into any arrangement which enables the Directors or Supervisors of the Company to have the right to acquire benefits by means of acquisition of shares in or debentures of the Company or any other legal entities.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Year, the Company and the Group had the following connected transactions and continuing connected transactions, details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

- (1) On 3 January 2023, the Company entered into the processing and smelting, deep well resource extraction and recycling, testing and related technical services framework agreement with Shandong Zhaojin Technology Company Limited* (山東招金科技有限公司) (“Shandong Zhaojin Technology”) in relation to the provision of processing and smelting, deep well resource extraction and recycling, testing and related technical services by Shandong Zhaojin Technology and its subsidiaries to the Group (the “Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement”) during the period from 1 January 2023 to 31 December 2025. According to the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement, the Company expects that the annual caps for the transactions contemplated under the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement for the years ending 31 December 2023, 31 December 2024 and 31 December 2025 are RMB27 million, RMB28 million and RMB29.5 million, respectively.

On 3 January 2023, Zhaoyuan Gold Materials Supply Center Co., Ltd* (招遠市黃金物資供應中心有限公司) (“Materials Supply Center”) and Zhaojin Group entered into the material procurement framework agreement in relation to the provision of material procurement services by Materials Supply Center to Zhaojin Group (the “2023 Material Procurement Framework Agreement”) from 1 January 2023 to 31 December 2025. According to the 2023 Material Procurement Framework Agreement, the Company expects that the maximum aggregate annual values in respect of the transactions contemplated under the 2023 Material Procurement Framework Agreement for the years ending 31 December 2023, 31 December 2024 and 31 December 2025 are RMB20 million, RMB20 million and RMB25 million, respectively.

On 3 January 2023, Shandong Zhaojin Geological Prospecting Co., Ltd* (山東招金地質勘查有限公司) (“Zhaojin Geological Prospecting”) and Zhaojin Group entered into the geological prospecting services framework agreement in relation to Zhaojin Geological Prospecting’s provision of exploration services to Zhaojin Group (the “Geological Prospecting Services Framework Agreement”) from 1 January 2023 to 31 December 2025. According to the Geological Prospecting Services Framework Agreement, the Company expects that the maximum aggregate annual values in respect of the transactions contemplated under the Geological Prospecting Services Framework Agreement for the years ending 31 December 2023, 31 December 2024 and 31 December 2025 are RMB8 million, RMB10 million and RMB8 million, respectively.

Zhaojin Group is the substantial Shareholder and controlling Shareholder of the Company. According to Rule 14A.07 of the Listing Rules, Zhaojin Group is a connected person of the Company. Both of Zhaojin Geological Prospecting and Materials Supply Center are wholly-owned subsidiaries of the Company. In addition, Shandong Zhaojin Technology, being a non-wholly-owned subsidiary of the Company, is held as to 35% by Zhaojin Group. According to Rule 14A.16 of the Listing Rules, Shandong Zhaojin Technology is a connected subsidiary of the Company and a connected person of the Company. Therefore, according to Chapter 14A of the Listing Rules, the Geological Prospecting Services Framework Agreement, the 2023 Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

As all the percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of each of the Geological Prospecting Services Framework Agreement, the 2023 Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement are more than 0.1% but less than 5%, the Geological Prospecting Services Framework Agreement, the 2023 Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement and the transactions contemplated thereunder are subject to the annual review, reporting and announcement requirements but are exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcement of the Company dated 3 January 2023 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (2) On 12 July 2023, the Company and Shanxi Zijin Mining Co., Ltd.* (山西紫金礦業有限公司) (“Shanxi Zijin”) entered into the gold concentrates purchase framework agreement (the “Gold Concentrates Purchase Framework Agreement i”) in relation to the Group’s purchase of gold concentrates from Shanxi Zijin and its subsidiaries from 1 January 2023 to 31 December 2025. According to the Gold Concentrates Purchase Framework Agreement i, the Company expects that the annual caps in respect of the transactions contemplated under the Gold Concentrates Purchase Framework Agreement i for the three years ending 31 December 2023, 31 December 2024 and 31 December 2025 are RMB390 million, RMB390 million and RMB390 million, respectively.

On 12 July 2023, the Company and Zhaojin Non-Ferrous entered into the gold concentrates purchase framework agreement (the “Gold Concentrates Purchase Framework Agreement ii”) in relation to the Group’s purchase of gold concentrates from Zhaojin Non-Ferrous and its subsidiaries from 1 January 2023 to 31 December 2025. According to the Gold Concentrates Purchase Framework Agreement ii, the Company expects that the annual caps in respect of the transactions contemplated under the Gold Concentrates Purchase Framework Agreement ii for the three years ending 31 December 2023, 31 December 2024 and 31 December 2025 are RMB30 million, RMB90 million and RMB100 million, respectively.

Zijin Mining held 654,078,741 H Shares, representing approximately 20% of the total issued shares, through its wholly-owned subsidiary Gold Mountains (H.K.) International. Accordingly, Zijin Mining is a substantial Shareholder of the Company. Shanxi Zijin is a wholly-owned subsidiary of Zijin Mining. In addition, Zhaojin Group is a controlling Shareholder of the Company and Zhaojin Non-Ferrous is a wholly-owned subsidiary of Zhaojin Group. Accordingly, Shanxi Zijin and Zhaojin Non-Ferrous are connected persons of the Company under Chapter 14A of the Listing Rules and transactions contemplated under the Gold Concentrates Purchase Framework Agreement i and Gold Concentrates Purchase Framework Agreement ii constitute continuing connected transactions of the Company.

As the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of each of transactions contemplated under the Gold Concentrates Purchase Framework Agreement i and Gold Concentrates Purchase Framework Agreement ii are more than 0.1% but less than 5%, each of transactions contemplated under the Gold Concentrates Purchase Framework Agreement i and Gold Concentrates Purchase Framework Agreement ii shall be subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcement of the Company dated 12 July 2023 and the supplementary announcement of the Company dated 19 July 2023 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

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- (3) On 25 August 2023, the Company and Zhaojin Group entered into the gold concentrates sales framework agreement (the “2023 Gold Concentrates Sales Framework Agreement”) in relation to the Group’s sales of gold concentrates (excluding the gold concentrates purchased by the Group from Zhaojin Non-Ferrous and its subsidiaries under the Gold Concentrates Purchase Framework Agreement ii) to Zhaojin Group and its subsidiaries (excluding Zhaojin Non-Ferrous and its subsidiaries) from 1 January 2023 to 31 December 2025. According to the 2023 Gold Concentrates Sales Framework Agreement, the Company expects that the annual caps in respect of the transactions contemplated under the 2023 Gold Concentrates Sales Framework Agreement for the three years ending 31 December 2023, 31 December 2024 and 31 December 2025 are RMB70 million, RMB150 million and RMB200 million, respectively.

Zhaojin Group is a controlling Shareholder of the Company. Zhaojin Group and its subsidiaries are connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules. Accordingly, the transactions contemplated under the 2023 Gold Concentrates Sales Framework Agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the annual caps of the transactions contemplated under the 2023 Gold Concentrates Sales Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated under the 2023 Gold Concentrates Sales Framework Agreement shall be subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcement of the Company dated 25 August 2023 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (4) On 29 December 2023, Shandong Goldsoft Technology Company Limited (山東金軟科技有限公司) (“Goldsoft Technology”) entered into the informatization services framework agreement (“2023 Informatization Services Framework Agreement”) with Zhaojin Group. Pursuant to the 2023 Informatization Services Framework Agreement, the annual caps for the provision of informatization services for the three years ended/ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed RMB20 million, RMB20 million and RMB20 million, respectively.

On 29 December 2023, the Company entered into the framework agreement for sales of silver (“Framework Agreement for Sales of Silver”) with Shandong Zhaojin Gold and Silver Refinery Company Limited* (山東招金金銀精煉有限公司) (“Zhaojin Refinery”), pursuant to which the Group agreed to sell silver to Zhaojin Refinery and its subsidiaries for a term of three years commencing from 1 January 2024 to 31 December 2026. According to the Framework Agreement for Sales of Silver, the annual caps for the sales of silver (excluding value-added tax) for the three years ended/ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed RMB130 million, RMB170 million and RMB210 million, respectively.

Zhaojin Group is the controlling Shareholder of the Company. Zhaojin Refinery is a subsidiary of Zhaojin Group and is therefore a connected person of the Company, and Goldsoft Technology is a subsidiary of the Company. Accordingly, the transactions contemplated under the 2023 Informatization Services Framework Agreement and the Framework Agreement for Sales of Silver constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of each of the 2023 Informatization Services Framework Agreement and the Framework Agreement for Sales of Silver is more than 0.1% but less than 5%, the transactions contemplated under the 2023 Informatization Services Framework Agreement and the Framework Agreement for Sales of Silver are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcement of the Company dated 29 December 2023 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (5) On 29 December 2023, Zhaoyuan Zhaojin Jinhe Technology Co., Ltd* (招遠市招金金合科技有限公司) (“Zhaojin Jinhe”) entered into the framework agreement for sales of sulphur concentrate (“Framework Agreement for Sales of Sulphur Concentrate”) with Shandong Guoda Gold Co., Ltd* (山東國大黃金股份有限公司) (“Guoda Gold”), pursuant to which Zhaojin Jinhe agreed to sell sulphur concentrate to Guoda Gold and its subsidiaries for a term of three years commencing from 1 January 2024 to 31 December 2026. According to the Framework Agreement for Sales of Sulphur Concentrate, Zhaojin Jinhe expects the annual caps for the sales of Sulphur concentrate for the three years ended/ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed RMB20 million, RMB23 million and RMB25 million, respectively.

Zhaojin Jinhe is a wholly-owned subsidiary of the Company, Zhaojin Group is the controlling Shareholder and a substantial Shareholder of the Company. Guoda Gold is a subsidiary of Zhaojin Group and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement for Sales of Sulphur Concentrate constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Framework Agreement for Sales of Sulphur Concentrate is more than 0.1% but less than 5%, the transactions contemplated under the Framework Agreement for Sales of Sulphur Concentrate is subject to the reporting, annual review and announcement requirements but is exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcement of the Company dated 29 December 2023 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (6) On 29 December 2023, the Company and Shandong Zhaojin Finance Company Limited* (山東招金集團財務有限公司) (“Finance Company”) entered into the financial services agreement (“2023 Group Financial Services Agreement”). According to the 2023 Group Financial Services Agreement, the annual caps for the years ended/ending 31 December 2024, 2025 and 2026 are as follows: (i) RMB5,000 million, RMB5,500 million and RMB6,000 million, respectively, for deposit services (including interest accrued thereon); (ii) RMB1,000 million, RMB1,500 million and RMB2,000 million, respectively, for bill discounting services (including interest accrued thereon); (iii) RMB4,500 million, RMB5,000 million and RMB5,500 million, respectively, for loan services (including interest accrued thereon).

On 29 December 2023, Zhaojin Group and Finance Company entered into the financial services agreement (“2023 Parent Group Financial Services Agreement”). According to the 2023 Parent Group Financial Services Agreement, the annual caps for the years ended/ending 31 December 2024, 2025 and 2026 are as follows:

(i) RMB5,000 million, RMB5,500 million and RMB6,000 million, respectively, for deposit services (including interest accrued thereon); (ii) RMB1,500 million, RMB2,000 million and RMB2,000 million, respectively, for bill discounting services; (iii) RMB4,000 million, RMB4,500 million and RMB5,000 million, respectively, for loan services (including interest accrued thereon).

Zhaojin Group is the controlling Shareholder of the Company and it is therefore a connected person of the Company. Finance Company is a non-wholly-owned subsidiary of the Company and is also owned as to 40% by Zhaojin Group. Finance Company is therefore a connected person of the Company by virtue of being a connected subsidiary of the Company and an associate of Zhaojin Group. Therefore, the transactions under the 2023 Group Financial Services Agreement and the 2023 Parent Group Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The loan services to be provided by Finance Company to the Group under the 2023 Group Financial Services Agreement constitute financial assistance to be provided by a connected person for the benefit of the Group, which are on normal commercial terms similar to or even more favourable than those offered by independent third parties for comparable services in the PRC, and which are exempt under Rule 14A.90 of the Listing Rules from all reporting, annual review, announcement and independent Shareholders' approval requirements since no security will be granted in respect of the loan.

Given that one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the proposed annual cap for each of (i) the provision of deposit services by the Finance Company to the Group; and (ii) the provision of bill discounting services by Finance Company to the Group under the 2023 Group Financial Services Agreement is more than 25%, the provision of deposit services and bill discounting services under the 2023 Group Financial Services Agreement constitute major transactions and non-exempt continuing connected transactions of the Company, and are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements as set out in Chapters 14 and 14A of the Listing Rules. Given that all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the proposed annual caps of the service fee in connection with other financial services under the 2023 Group Financial Services Agreement are less than 0.1%, the other financial services to be provided by Finance Company is exempt under Chapter 14A of the Listing Rules from all reporting, annual review, announcement and independent Shareholders' approval requirements.

Given that one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the proposed annual cap for the provision of each of (i) deposit services; (ii) bill discounting services; and (iii) loan services by Finance Company to Zhaojin Group under the 2023 Parent Group Financial Services Agreement is more than 25%, the provision of deposit services, bill discounting services and loan services under the 2023 Parent Group Financial Services Agreement constitute major transactions and non-exempt continuing connected transactions of the Company, and are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements as set out in Chapters 14 and 14A of the Listing Rules. Given that all of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the proposed annual caps of the service fee in connection with other financial services under the 2023 Parent Group Financial Services Agreement is less than 0.1%, the other financial services to be provided by Finance Company is exempt under Chapter 14A of the Listing Rules from all reporting, annual review, announcement and independent Shareholders' approval requirements.

Relevant details were set out in the announcement of the Company dated 29 December 2023 and the circular of the Company dated 15 January 2024 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

(7) Entering into the Cyanide Tailings Purchase Framework Agreement

On 22 March 2024, Zhaojin Jinhe entered into the cyanide tailings purchase framework agreement (“Cyanide Tailings Purchase Framework Agreement”) with Guoda Gold, pursuant to which Zhaojin Jinhe and its subsidiaries will purchase cyanide tailings from Guoda Gold and its subsidiaries for a term from 22 March 2024 to 31 December 2026. Zhaojin Jinhe and its subsidiaries expects that the annual caps for the purchase of cyanide tailings from the Guoda Gold and its subsidiaries under the Cyanide Tailings Purchase Framework Agreement for the years ended/ending 31 December 2024, 31 December 2025 and 31 December 2026 will not exceed RMB195 million, RMB215 million and RMB254 million, respectively.

Zhaojin Jinhe is a subsidiary of the Company, and while Zhaojin Group is the controlling Shareholder of the Company. Guoda Gold is a subsidiary of Zhaojin Group and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Cyanide Tailings Purchase Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the annual caps of the transactions contemplated under the Cyanide Tailings Purchase Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Cyanide Tailings Purchase Framework Agreement shall be subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcement of the Company dated 22 March 2024 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

(8) Entering into the Framework Agreement on Technical Services for Underground Hydrogeology and Water Control

On 23 August 2024, Zhaojin Geological Prospecting and Laizhou Ruihai Mining Industry Company Limited* (萊州市瑞海礦業有限公司) (“Ruihai Mining”) entered into the Framework Agreement on Technical Services for Underground Hydrogeology and Water Control (the “Framework Agreement on Technical Services for Underground Hydrogeology and Water Control”), pursuant to which Zhaojin Geological Prospecting and/or its subsidiaries shall provide underground hydrogeology and water control technical services to Ruihai Mining for a term from 1 January 2024 to 31 December 2026. Zhaojin Geological Prospecting and/or its subsidiaries expect that the annual caps for the provision of underground hydrogeology and water control technical services to Ruihai Mining in accordance with the Framework Agreement on Technical Services for Underground Hydrogeology and Water Control will not exceed RMB26.0 million, RMB40.0 million and RMB40.0 million for the years ended/ending 31 December 2024, 31 December 2025 and 31 December 2026 respectively.

Zhaojin Geological Prospecting is a wholly-owned subsidiary of the Company. Ruihai Mining is wholly owned by Shandong Ruiyin Mining Industry Company Limited* (山東瑞銀礦業發展有限公司) (“Shandong Ruiyin”), which is owned by the Company as to 70% and owned by Zijin Mining (through Zijin Mining Group Southern Investment Co., Ltd.* (紫金礦業集團南方投資有限公司) (“Zijin Investment”)) as to 30%; and Zijin Mining is a substantial Shareholder of the Company. Pursuant to the Rule 14A.07 and Rule 14A.16 of the Listing Rules, Ruihai Mining is a connected subsidiary of the Company and a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement on Technical Services for Underground Hydrogeology and Water Control constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the annual caps of the transactions contemplated under the Framework Agreement on Technical Services for Underground Hydrogeology and Water Control is more than 0.1% but less than 5%, the transactions contemplated under the Framework Agreement on Technical Services for Underground Hydrogeology and Water Control shall be subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcements of the Company dated 23 August 2024 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

(9) Entering into of the Finished Gold Sales Framework Agreement

On 13 December 2024, the Company entered into the finished gold sales framework agreement (the “Finished Gold Sales Framework Agreement”) with Zhaojin Gold (Hong Kong) Limited (“Zhaojin Jinye”), pursuant to which the Group has agreed to sell finished gold to Zhaojin Jinye for a term from 13 December 2024 to 31 December 2026. The Group expects that the annual caps for the sales of Finished Gold to Zhaojin Jinye under the Finished Gold Sales Framework Agreement for the period from the date of the Finished Gold Sales Framework Agreement to 31 December 2024, as well as the years ending 31 December 2025 and 31 December 2026 will not exceed RMB40 million, RMB150 million and RMB250 million, respectively.

Zhaojin Jinye is a wholly-owned subsidiary of Zhaojin Refinery, which is owned as to 80.5% by Zhaojin Group. Accordingly, Zhaojin Jinye is a connected person of the Company under Rule 14A.07 of the Listing Rules. The transactions contemplated under the Finished Gold Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the Finished Gold Sales Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Finished Gold Sales Framework Agreement shall be subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Such details have been disclosed in the announcement of the Company dated 13 December 2024 which was published on the website of Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (10) Entering into of the Water Treatment Engineering Services Agreement and the Exploration, Environmental Governance and Related Technical Services Framework Agreement

On 31 December 2024, the Company and Zhaojin Motian entered into the water treatment engineering services agreement (the “2024 Water Treatment Engineering Services Agreement”) in relation to the provision of membrane assembly parts and equipment, water treatment engineering services and steel structure engineering services by Zhaojin Motian and its subsidiaries to the Group from 1 January 2025 to 31 December 2027. The Company expects that the annual caps for the transactions contemplated under the 2024 Water Treatment Engineering Services Agreement for the years ending 31 December 2025, 31 December 2026 and 31 December 2027 will not exceed RMB207 million, RMB50 million and RMB50 million, respectively.

On 31 December 2024, the Company entered into the exploration, environmental governance and related technical services framework agreement (the “2024 Exploration, Environmental Governance and Related Technical Services Framework Agreement”) with the No. 3 Exploration Institute in relation to the provision of exploration, environmental governance and related technical services by No. 3 Exploration Institute and its subsidiaries to the Group during the period from 1 January 2025 to 31 December 2027. The Company expects that the annual caps for the transactions contemplated under the 2024 Exploration, Environmental Governance and Related Technical Services Framework Agreement for the years ending 31 December 2025, 31 December 2026 and 31 December 2027 will not exceed RMB49 million, RMB37 million and RMB34 million, respectively.

Zhaojin Group is the substantial Shareholder and controlling Shareholder of the Company. Zhaojin Motian is a subsidiary of Zhaojin Group. Therefore, Zhaojin Motian is a connected person of the Company according to the Rule 14A.07 of the Listing Rules. In addition, No. 3 Exploration Institute holds 30%, 34% and 30% of the shares in Zaozigou Gold Mine Company, Xinrui Mining and Zhaojin Precious Metal Smelting, which are subsidiaries of the Company, respectively. Therefore, No. 3 Exploration Institute is a connected person of the Company according to the Rule 14A.07 of the Listing Rules. Accordingly, the 2024 Water Treatment Engineering Services Agreement and the 2024 Exploration, Environmental Governance and Related Technical Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of each of the 2024 Water Treatment Engineering Services Agreement and the 2024 Exploration, Environmental Governance and Related Technical Services Framework Agreement is higher than 0.1% but less than 5%, the transactions contemplated under the 2024 Water Treatment Engineering Services Agreement and the 2024 Exploration, Environmental Governance and Related Technical Services Framework Agreement are subject to the annual review, reporting and announcement requirements but are exempt from independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Such details have been disclosed in the announcement of the Company dated 31 December 2024 which was published on the website of Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

Details of the connected transactions and continuing connected transactions commencing from 1 January 2025 are set out in “Significant Events – 10. Connected Transactions and Continuing Connected Transactions” on pages 64 to 67 of this annual report.

The independent non-executive Directors have reviewed the continuing connected transactions and other connected transactions during the Year, and are of the view that the transactions have been entered into under the following circumstances:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or on terms no less favorable to the Group than terms offered to/by independent third parties; and
- (3) in accordance with the relevant agreements governing those transactions on terms that are fair and reasonable and in the interest of the Shareholders as a whole.

For related party transactions disclosed in note 45 to the consolidated financial statements which constituted connected transactions or continuing connected transactions under the Listing Rules, the Company has complied with all the relevant requirements under Chapter 14A of the Listing Rules, and has followed the policies and guidelines when determining the price and terms of the continuing connected transactions conducted during the Year in line with guidance letter HKEx-GL73-14.

Ernst & Young, the Company's independent auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 Auditors' Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued their unqualified opinion containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

In respect of the continuing connected transactions disclosed (the "Disclosed Continuing Connected Transactions"), the Company's auditors confirmed that, with respect to those entered into during the financial year ended 31 December 2025 or before:

- a. nothing has come to its attention that causes it to believe that the Disclosed Continuing Connected Transactions have not been approved by the Board;
- b. for transactions involving the provision of goods or services by the Group, nothing has come to its attention that causes it to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- c. nothing has come to its attention that causes it to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- d. nothing has come to its attention that causes it to believe that the Disclosed Continuing Connected Transactions have exceeded the maximum aggregate annual caps disclosed in the respective announcements or circulars issued by the Company in respect of each of the Disclosed Continuing Connected Transactions.

REPORT OF THE DIRECTORS

UNDERTAKINGS AND STATEMENTS UNDER THE NON-COMPETITION AGREEMENT

The Company and Zhaojin Group entered into a Non-competition Agreement on 17 November 2006, pursuant to which the independent non-executive Directors of the Company are required to review, at least once a year, whether Zhaojin Group has complied with their undertakings under the Non-competition Agreement. In addition, Zhaojin Group has also undertaken to the Company to provide an annual compliance statement for incorporation in the annual report of the Company.

The independent non-executive Directors have reviewed whether Zhaojin Group has complied with their undertakings under the Non-competition Agreement in respect of its existing or future competing businesses. The independent non-executive Directors are of the view that Zhaojin Group has complied with those undertakings.

The Company has also received a statement under the Non-competition Agreement from Zhaojin Group on 6 January 2026, which stated that Zhaojin Group, as the controlling Shareholder of the Company, has complied with their undertakings under the Non-competition Agreement dated 17 November 2006 for the year ended 31 December 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 31 December 2025, none of the Directors or any of their respective associates was engaged or had any interests in a business that competes with or may compete with the business of the Group.

SIGNIFICANT EVENTS

1. RE-ELECTION OF THE BOARD AND THE SUPERVISORY COMMITTEE

The Company held the 2025 first extraordinary general meeting on 26 February 2025 at which Mr. Jiang Guipeng, Mr. Duan Lei, Mr. Wang Ligang, Mr. Wang Peiwu, Mr. Long Yi, Mr. Li Guanghui, Mr. Luan Wenjing, Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Wei Junhao and Mr. Shen Shifu were elected as members of the eighth session of the Board. Mr. Leng Haixiang and Mr. Hu Jin were elected as Shareholder representative Supervisors of the Company of the eighth session of the supervisory committee of the Company (the "Supervisory Committee"), together with Ms. Li Hongai, the employee representative Supervisor elected by the Company's employees' representative meeting, were appointed as the eighth session of the Supervisory Committee. The term of the above Directors and Supervisors is three years commencing from the date of conclusion of the 2025 first extraordinary general meeting.

Relevant details were set out in the circular and notice of the Company both dated 10 February 2025 and the voting results announcement of the Company dated 26 February 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

2. COMPOSITION AND CHANGES OF SENIOR MANAGEMENT

The Company held the 26th meeting of the seventh session of the Board on 7 February 2025. Mr. Tang Lei resigned from his position as vice president of the Company due to work reallocation, effective from 7 February 2025.

The Company held the first meeting of the eighth session of the Board on 26 February 2025. At the meeting, Mr. Jiang Guipeng was elected as chairman of the eighth session of the Board and Mr. Long Yi was elected as vice chairman of the eighth session of the Board, Mr. Duan Lei was appointed as chief executive officer of the Company, Mr. Wang Ligang, Mr. Wang Peiwu, Ms. Wang Wanhong and Mr. Wang Chunguang were appointed as vice presidents of the Company, Mr. Yin Jiwen was appointed as chief financial officer of the Company. Mr. Wang Ligang was appointed as secretary to the Board, Ms. Ng Ka Man continues to act as company secretary of the Company, and Mr. Jiang Guipeng and Mr. Duan Lei continue to act as authorised representatives of the Company. The above term of office shall take effect on 26 February 2025 and shall expire upon the expiry of the term of the eighth session of the Board.

The Company held the 4th meeting of the eighth session of the Board on 22 August 2025 and appointed Mr. Leng Haixiang as senior director (Grade 1) of the Company. The term took effect on 22 August 2025 and shall expire upon the expiry of the term of the eighth session of the Board.

The Company held the 6th meeting of the eighth session of the Board on 26 September 2025. Mr. Wang Chunguang resigned from his position as vice president of the Company due to work reallocation, effective from 26 September 2025.

3. ABOLITION OF THE SUPERVISORY COMMITTEE

The Company held the 2025 second extraordinary general meeting on 19 September 2025 and approved (among other things) the abolishment of the Supervisory Committee. The positions of the members of the Supervisory Committee (namely Mr. Leng Haixiang, Mr. Hu Jin and Ms. Li Hongai) as Supervisors will be automatically removed. The functions and powers of the Supervisory Committee as stipulated in the Company Law of the PRC will be exercised by the Audit Committee of the Board, and the rules of procedures for the Supervisory Committee was abolished accordingly.

Relevant details were set out in the circular and notice of the Company both dated 22 August 2025 and the voting results announcement of the Company dated 19 September 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

4. CONVENING THE 2025 FIRST EXTRAORDINARY GENERAL MEETING

The Company held the 2025 first extraordinary general meeting on 26 February 2025, at which the following proposals, among other things, were considered and passed:

- (1) To consider and approve the re-election of the Directors of the eighth session of the Board, whose term shall be three years commencing from the date of conclusion of the 2025 first extraordinary general meeting;
- (2) To consider and approve the re-election of the Shareholder representative Supervisors of the eighth session of the Supervisory Committee, whose term shall be three years commencing on the date of conclusion of the 2025 first extraordinary general meeting;
- (3) To approve the remuneration packages for Directors of the eighth session of the Board and Supervisors of the eighth session of the Supervisory Committee and the entering into of written contracts with members of the Board and the Supervisory Committee in respect of their remuneration packages;
- (4) To consider and approve the provision of guarantees for subsidiaries with debt-to-equity ratio of over 70%, including:
 - (a) provision of guarantee for the financing of 7 subsidiaries of the Company, including Gansu Zhaojin Precious Metal Smelting Company Limited* (甘肅招金貴金屬冶煉有限公司), Liaoning Zhaojin Baiyun Gold Mining Company Limited* (遼寧招金白雲黃金礦業有限公司) and Liangdang Zhaojin Mining Industry Company Limited* (兩當縣招金礦業有限公司);
 - (b) provision of guarantee for the supply chain finance business proposed to be conducted by 10 subsidiaries of the Company, including Zhaoyuan Jintingling Mining Industry Company Limited* (招遠市金亭嶺礦業有限公司), Xinjiang Xingta Mining Company Limited* (新疆星塔礦業有限公司) and Xinjiang Xinhui Copper Company Limited* (新疆鑫慧銅業有限公司); and
- (5) To consider and approve the proposed registration and issuance of perpetual medium-term notes of up to RMB6 billion in the PRC and to grant authority to the Board to deal with such matters relating to the registration and issuance of the perpetual medium-term notes.

Relevant details were set out in the circular and notice of the Company both dated 10 February 2025 and the voting results announcement of the Company dated 26 February 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

5. CONVENING THE 2024 ANNUAL GENERAL MEETING

The Company held the 2024 annual general meeting on 2 June 2025, at which the following proposals, among other things, were considered and passed:

- (1) the proposed distribution plan of the Company for the year ended 31 December 2024;
- (2) authorizing the Board a general mandate to allot, issue and/or deal with (whether or not based on stock options or other reasons, including the sale and transfer of treasury shares) H shares and domestic shares of up to a maximum of 20% of the respective total number of issued H shares and existing domestic shares of the Company (excluding treasury shares, if any) as at the date of passing such resolution;
- (3) authorizing the Board a general mandate to repurchase H shares of up to a maximum of 10% of the total number of issued H shares of the Company (excluding treasury shares, if any) as at the date of passing such resolution; and
- (4) the proposed amendments to the Article 3.5 and Article 3.6 to the Articles of Association.

Relevant details were set out in the circular and notice of the Company both dated 9 May 2025 and the voting results announcement of the Company dated 2 June 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

6. CONVENING THE CLASS MEETINGS

The Company held the domestic share class meeting and the H share class meeting on 2 June 2025, at which the following proposals, among other things, were considered and passed respectively:

- (1) authorizing the Board a general mandate to repurchase H shares of up to a maximum of 10% of the total number of issued H shares of the Company (excluding treasury shares, if any) as at the date of passing such resolution; and
- (2) the proposed amendments to the Article 3.5 and Article 3.6 to the Articles of Association.

Relevant details were set out in the circular and notices of the Company both dated 9 May 2025 and the voting results announcement of the Company dated 2 June 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

7. CONVENING THE 2025 SECOND EXTRAORDINARY GENERAL MEETING

The Company held the 2025 second extraordinary general meeting on 19 September 2025, at which the following proposals, among other things, were considered and passed:

- (1) approving the proposed abolishment of the Supervisory Committee;
- (2) approving the proposed amendments to the Articles of Association and authorizing the authorised representatives of the Company to take all such actions or matters and to take all such measures and execute such documents as they consider necessary, appropriate or desirable to give effect to the proposed amendments to the Articles of Association, including but not limited to seeking approval for such documents and arranging for registration and filing with the relevant government authorities in the PRC and Hong Kong; and
- (3) approving the proposed amendments to the Rules of Procedures for General Meetings and authorising the authorised representatives of the Company to take all such actions or matters and to take all such measures and execute such documents as they consider necessary, appropriate or desirable to give effect to the proposed amendments to the Rules of Procedures for General Meetings, including but not limited to seeking approval for such documents and arranging for registration and filing with the relevant government authorities in the PRC and Hong Kong.

Relevant details were set out in the circular and notice of the Company both dated 22 August 2025 and the voting results announcement of the Company dated 19 September 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

8. ISSUANCE OF SUPER SHORT-TERM BONDS AND SCI-TECH INNOVATION BONDS

- (1) The Company issued the first tranche of super short-term bonds for the year of 2025 on 20 January 2025, with a par value of RMB1.0 billion for a term of 270 days and bearing interest rate of 1.91% per annum. The proceeds are to repay interest-bearing debts of the Company.

Relevant details were set out in the announcements of the Company dated 17 January 2025 and 21 January 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (2) The Company issued the second tranche of super short-term bonds for the year of 2025 on 25 February 2025, with a par value of RMB2.0 billion for a term of 269 days and bearing interest rate of 2.05% per annum. The proceeds are to repay interest-bearing debts of the Company.

Relevant details were set out in the announcements of the Company dated 24 February 2025 and 26 February 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (3) The Company issued the 2025 first tranche of Sci-Tech innovation bonds on 11 June 2025, with a par value of RMB1 billion for a term of 3 years and bearing interest rate of 1.86% per annum. The proceeds are to repay the maturing debts of the Company.

Relevant details are set out in the announcements of the Company dated 9 June 2025 and 13 June 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (4) The Company issued the 2025 third tranche of Sci-Tech innovation bonds on 25 July 2025, with a par value of RMB1 billion for a term of 183 days and bearing interest rate of 1.58% per annum. The proceeds are to repay the maturing debts of the Company.

Relevant details are set out in the announcements of the Company dated 24 July 2025 and 31 July 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (5) The Company issued the 2025 fourth tranche of Sci-Tech innovation bonds on 7 August 2025, with a par value of RMB1 billion for a term of 3 years and bearing interest rate of 1.8% per annum. The proceeds are to repay the maturing debts of the Company.

Relevant details are set out in the announcements of the Company dated 5 August 2025 and 8 August 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (6) The Company issued the 2025 fifth tranche of Sci-Tech innovation bonds on 25 September 2025, with a par value of RMB1 billion for a term of 182 days and bearing interest rate of 1.68% per annum. The proceeds are to repay the maturing debts of the Company.

Relevant details are set out in the announcements of the Company dated 24 September 2025 and 29 September 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (7) The Company issued the 2025 first tranche of public issuance of Sci-Tech innovation corporate bonds to professional investors on 24 November 2025, with a par value of RMB1 billion for a term of 5 years and bearing interest rate of 1.89% per annum. The proceeds are to replace the Company's own funds previously used for the repayment of corporate bonds.

Relevant details are set out in the announcements of the Company dated 19 November 2025 and 24 November 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (8) The Company issued the 2025 first tranche (series 2) of public issuance of Sci-Tech innovation renewable corporate bonds to professional investors on 11 December 2025, with a par value of RMB800 million. The renewable corporate bonds have a term for every three interest-bearing years. At the end of each term, the Company has the right to choose to extend the term of the renewable corporate bonds for one further term, or to fully redeem the renewable corporate bonds at maturity at the end of such term. The nominal interest rate of the current tranche of renewable corporate bonds is 2.20% per annum. The proceeds are to repay the interest-bearing debts of the Company.

Relevant details are set out in the announcements of the Company dated 8 December 2025 and 11 December 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

9. REDEMPTION OF SUPER SHORT-TERM BONDS, MEDIUM-TERM NOTES, CORPORATE BONDS AND SCI-TECH INNOVATION BONDS

- (1) The Company redeemed the 2022 first tranche of corporate bonds publicly issued to professional investors on 24 January 2025, with a nominal amount of RMB1 billion and bearing interest rate of 3.03% per annum.

Relevant details are set out in the announcement of the Company dated 27 January 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (2) The Company redeemed the 2024 fourth tranche of super short-term bonds on 28 February 2025, with a nominal amount of RMB1 billion and bearing interest rate of 1.85% per annum.

Relevant details are set out in the announcement of the Company dated 21 February 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (3) The Company redeemed the 2024 seventh tranche of super short-term bonds on 18 March 2025, with a nominal amount of RMB700 million and bearing interest rate of 1.78% per annum.

Relevant details are set out in the announcement of the Company dated 11 March 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (4) The Company redeemed the 2023 first tranche of medium-term notes (Sci-Tech innovation notes) on 26 April 2025, with a nominal amount of RMB1 billion and bearing interest rate of 3.55% per annum.

Relevant details are set out in the announcement of the Company dated 17 April 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (5) The Company redeemed the 2022 second tranche of corporate bonds on 15 September 2025, with a nominal amount of RMB1 billion and bearing interest rate of 2.78% per annum.

Relevant details are set out in the announcement of the Company dated 16 September 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (6) The Company redeemed the 2022 first tranche of medium-term notes on 23 September 2025, with a nominal amount of RMB1 billion and bearing interest rate of 2.75% per annum.

Relevant details are set out in the announcement of the Company dated 16 September 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (7) The Company redeemed the 2025 first tranche of super short-term bonds on 18 October 2025, with a nominal amount of RMB1 billion and bearing interest rate of 1.91% per annum.

Relevant details are set out in the announcement of the Company dated 14 October 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (8) The Company redeemed the 2025 second tranche of super short-term bonds on 21 November 2025, with a nominal amount of RMB2 billion and bearing interest rate of 2.05% per annum.

Relevant details are set out in the announcement of the Company dated 17 November 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (9) The Company redeemed the 2023 third tranche of medium-term notes on 28 November 2025, with a nominal amount of RMB1 billion and bearing interest rate of 3.44% per annum.

Relevant details are set out in the announcement of the Company dated 21 November 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (10) The Company redeemed the 2023 fourth tranche of medium-term notes (Sci-Tech innovation notes) (series 1) on 21 December 2025, with a nominal amount of RMB500 million and bearing interest rate of 3.22% per annum.

Relevant details are set out in the announcement of the Company dated 15 December 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

10. CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

(1) Capital increase in Shandong Ruiyin

On 21 March 2025 (after trading hours), the Company, Zijin Investment and Shandong Ruiyin entered into a capital increase agreement (the “Capital Increase Agreement”), pursuant to which the Company and Zijin Investment shall make capital contribution in a total amount of approximately RMB689.07 million to Shandong Ruiyin in proportion to their respective existing shareholding percentages in Shandong Ruiyin (under which the Company shall contribute approximately RMB482.35 million, and Zijin Investment shall contribute approximately RMB206.72 million). Upon completion of the above capital increase, the registered capital of Shandong Ruiyin will increase from approximately RMB1,441.17 million to approximately RMB2,130.24 million, while the Company and Zijin Investment will continue to hold 70% and 30% of the equity interest in Shandong Ruiyin, respectively.

Shandong Ruiyin is owned by the Company as to 70% and owned by Zijin Mining (through Zijin Investment) as to 30%. Zijin Mining is a substantial Shareholder of the Company. Pursuant to the Rule 14A.07 and Rule 14A.16 of the Listing Rules, (i) Zijin Investment, being an indirect wholly-owned subsidiary of Zijin Mining, is a connected person of the Company; and (ii) Shandong Ruiyin is a connected subsidiary of the Company and thus a connected person of the Company. Accordingly, the transactions contemplated under the Capital Increase Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the transactions contemplated under the Capital Increase Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Capital Increase Agreement shall be subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcement of the Company dated 21 March 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

(2) Cornerstone Investment in Zijin International

On 17 September 2025, Sparky International Company Limited (a wholly-owned subsidiary of the Company, as the investor), entered into the cornerstone investment agreement (the “Cornerstone Investment Agreement”) with Zijin International (as the issuer), Morgan Stanley, CITIC Securities (Hong Kong) Limited and CLSA Limited, pursuant to which the investor has conditionally agreed to subscribe the investor shares at the offer price as part of the international offering. The investment amount of the investor shares is expected to be the Hong Kong dollars equivalent of US\$30,000,000 (excluding brokerage and levies).

Zijin Mining indirectly holds 100% of the shares in Zijin International through its wholly-owned subsidiaries, namely Zijin Mining Northwest Company Limited* (紫金礦業集團西北有限公司) and Gold Mountains (H.K.) International. Zijin Mining is a substantial Shareholder of the Company. Pursuant to Rule 14A.07 of the Listing Rules, Zijin International is a connected person of the Company. Therefore, the transaction contemplated under the Cornerstone Investment Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Cornerstone Investment Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Cornerstone Investment Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial adviser's opinion) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcement of the Company dated 19 September 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

(3) Gold Concentrates Sales Framework Agreement and Gold Concentrates Purchase Framework Agreement

The Company and Zhaojin Group entered into the gold concentrates sales framework agreement (the "Gold Concentrates Sales Framework Agreement") and the gold concentrates purchase framework agreement (the "Gold Concentrates Purchase Framework Agreement") on 10 October 2025 to renew the 2023 Gold Concentrates Sales Framework Agreement and the Gold Concentrates Purchase Framework Agreement ii, pursuant to which the Group agreed to sell gold concentrates and purchase gold concentrates to Zhaojin Group and/or its subsidiaries for a term from 10 October 2025 to 31 December 2027. The 2023 Gold Concentrates Sales Framework Agreement shall automatically terminate upon the Gold Concentrates Sales Framework Agreement becoming effective. The Company expects that the annual caps for the sales of gold concentrates to Zhaojin Group and/or its subsidiaries under the Gold Concentrates Sales Framework Agreement for the period from 10 October 2025 to 31 December 2025, and for the years ending 31 December 2026 and 31 December 2027 will not exceed RMB180 million, RMB410 million and RMB480 million, respectively. The Gold Concentrates Purchase Framework Agreement ii shall automatically terminate upon the Gold Concentrates Purchase Framework Agreement becoming effective. The Company and its subsidiaries expect that the annual caps of purchasing gold concentrates from Zhaojin Group and/or its subsidiaries under the Gold Concentrates Purchase Framework Agreement will not exceed RMB480 million, RMB480 million, and RMB480 million respectively for the period from 10 October 2025 to 31 December 2025, and for the years ending 31 December 2026 and 31 December 2027.

Zhaojin Group is the controlling Shareholder of the Company. According to Rule 14A.07 of the Listing Rules, Zhaojin Group and its subsidiaries are connected persons of the Company. Therefore, the transactions contemplated under the Gold Concentrates Sales Framework Agreement and the Gold Concentrates Purchase Framework Agreement respectively constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As each of the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) of the annual caps of the transactions contemplated under the Gold Concentrates Sales Framework Agreement and the Gold Concentrates Purchase Framework Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Gold Concentrates Sales Framework Agreement and the Gold Concentrates Purchase Framework Agreement shall be subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcement of the Company dated 10 October 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

(4) Informatization Services Framework Agreement and Material Procurement Framework Agreement

On 31 December 2025, Goldsoft Technology and its subsidiaries entered into the informatization services framework agreement (the "Informatization Services Framework Agreement") with Zhaojin Group to revise the annual caps for the years ending 31 December 2025 and 2026: the existing annual cap for 2025 will be adjusted from RMB20 million to RMB40 million, and the existing annual cap for 2026 will be adjusted from RMB20 million to RMB45 million.

On 31 December 2025, Materials Supply Center and Zhaojin Group entered into the material procurement framework agreement (the "Material Procurement Framework Agreement") in relation to the provision of material procurement services by Materials Supply Center to Zhaojin Group and/or its subsidiaries from 1 January 2026 to 31 December 2028. The annual caps in respect of the transactions contemplated under the Material Procurement Framework Agreement will not exceed RMB45 million, RMB45 million, and RMB50 million respectively for the years ending 31 December 2026, 31 December 2027, and 31 December 2028.

Zhaojin Group is the controlling Shareholder of the Company. According to Rule 14A.07 of the Listing Rules, Zhaojin Group is a connected person of the Company. Both Goldsoft Technology and Materials Supply Center are wholly-owned subsidiaries of the Company. Therefore, according to Chapter 14A of the Listing Rules, the Informatization Services Framework Agreement and the Material Procurement Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company. As all the percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of each of the Informatization Services Framework Agreement and the Material Procurement Framework Agreement are more than 0.1% but less than 5%, the Informatization Services Framework Agreement and the Material Procurement Framework Agreement and the transactions contemplated thereunder are subject to the annual review, reporting and announcement requirements but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcement of the Company dated 31 December 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

11. PLACING OF NEW H SHARES UNDER GENERAL MANDATE

On 24 March 2025 (before trading hours), the Company entered into the placing agreement with the placing agents, pursuant to which Company has agreed to procure, on a best effort basis, not less than six placees (with their ultimate beneficial owners are third parties independent of, and not connected with, the Company and the connected persons of the Company) to subscribe for a total of up to 140,000,000 new H Shares at HK\$14.16 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable by the placees) upon the terms and subject to the general mandate and the conditions set out in the Placing Agreement (the “Placing”).

Having reviewed the terms and conditions to the Placing, the Board considers that it is in the interests of the Company to raise equity funding through the Placing so as to strengthen the capital base, reduce the gearing ratio and enhance the financial position and net assets base of the Group for its long-term development and growth. The Placing will also diversify the Company’s shareholder base by attracting a number of high-quality investors to participate in the Placing and will expand the Company’s equity capital and lay a foundation for debt financing in the future.

Completion of the Placing took place on 31 March 2025. The aggregate gross proceeds from the Placing was approximately HK\$1,982.4 million and the aggregate net proceeds from the Placing, after deducting the placing commission and other related expenses, was approximately HK\$1,970.3 million. The net proceeds from the Placing will be used for replenishing the Company’s working capital and repaying bank loans. As at 31 December 2025, the proceeds of the Placing have been fully utilized for the aforementioned planned purposes.

Relevant details were set out in the announcements of the Company dated 24 March 2025 and 31 March 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

DETAILS OF SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR END

1. REDEMPTION OF SCI-TECH INNOVATION BONDS

The Company redeemed the 2025 third tranche of Sci-Tech innovation bonds on 27 January 2026, with a nominal amount of RMB1 billion and bearing interest rate of 1.58% per annum.

Relevant details are set out in the announcement of the Company dated 20 January 2026 published on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.zhaojin.com.cn.

2. AMENDMENT TO THE ANNUAL CAP OF THE FRAMEWORK AGREEMENT FOR SALES OF SILVER

On 11 February 2026, the Company entered into a supplemental agreement (the “Supplemental Agreement”) of the Framework Agreement for Sales of Silver with Zhaojin Refinery, pursuant to which the parties agreed to amend the terms of the Framework Agreement for Sales of Silver by adjusting the existing annual cap from RMB210 million to RMB570 million (the “Revised Annual Cap”). In addition, subject to the approval of the independent Shareholders, the annual cap for the year ending 31 December 2026 will be further adjusted from RMB570 million to RMB2.0 billion (the “Proposed Revised Annual Cap”). Save for the revision of the annual cap under the Framework Agreement for Sales of Silver, all other terms of the Framework Agreement for Sales of Silver remain unchanged.

Zhaojin Group is the controlling Shareholder of the Company. Zhaojin Refinery is a subsidiary of Zhaojin Group and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Revised Annual Cap of the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement) is more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Proposed Revised Annual Cap of the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement) is more than 5%, the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Revised Annual Cap of the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement) was approved at the 2026 first extraordinary general meeting on 20 March 2026. Relevant details were set out in the announcement of the Company dated 11 February 2026, the circular and notice of the Company both dated 3 March 2026 and the voting results announcement of the Company dated 20 March 2026 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

3. CONVENING THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

The Company held the 2026 first extraordinary general meeting on 20 March 2026, at which the following proposals, among other things, were considered and passed:

- (1) the Proposed Revised Annual Cap under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement);
- (2) the proposed registration and issuance of super short-term bonds of not more than RMB12.0 billion in the PRC and to grant authority to the Board to deal with such matters relating to the registration and issuance of the super short-term bonds; and
- (3) the proposed registration and issuance of medium-term notes of not more than RMB8.0 billion in the PRC and to grant authority to the Board to deal with such matters relating to the registration and issuance of the medium-term notes.

Relevant details were set out in the circular and notice of the Company both dated 3 March 2026 and the voting results announcement dated 20 March 2026 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

Save as disclosed above and the “Events after the reporting period” set out in note 50 to the financial statements on page 248 of this annual report, there are no other significant events after the financial year as at the date of this annual report.

LITIGATION AND ARBITRATION

During the Year, the Company and the Group have not been involved in any material litigation or arbitration. As far as the Directors are aware, the Company does not have any material litigation or arbitration pending or threatened against the Company which may adversely affect the Company’s operating results and financial conditions.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is of the view that the Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “Code”) during the year ended 31 December 2025. No Director is aware of any information that reasonably reveals that there was any non-compliance with the code provisions of the Code by the Company at any time during the Year.

For details of the corporate governance report, please refer to pages 72 to 99 of this annual report.

REPORT OF THE DIRECTORS

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors and Supervisors.

The Board is pleased to confirm that, after making specific enquiries with all Directors and Supervisors, all Directors and Supervisors have fully complied with the standards required according to the Model Code set out in Appendix C3 to the Listing Rules during the Year.

AUDIT COMMITTEE

For the year ended 31 December 2025, the Audit Committee of the eighth session of the Board of the Company comprised three independent non-executive Directors, namely Ms. Chen Jinrong, Mr. Wei Junhao and Mr. Choy Sze Chung Jojo. The chairman of the Audit Committee is Ms. Chen Jinrong.

The Audit Committee has reviewed the Group’s audited consolidated financial statements for the Year which have been agreed by the Company’s auditor, and is of the view that the Group’s audited consolidated financial statements for the Year are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

The Audit Committee has reviewed the annual results of the Company for the Year.

CONFIRMATION OF INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company confirmed that it had received the annual confirmation of independence from each of the independent non-executive Directors in compliance with Rule 3.13 of the Listing Rules. The Company is of the view that the independent non-executive Directors remain independent during the Year in accordance with the relevant requirements of Rule 3.13 of the Listing Rules.

CLOSURE OF THE REGISTER OF MEMBERS

In order to determine the Shareholders who are entitled to attend the 2025 AGM, the register of members will be closed from Tuesday, 26 May 2026 to Monday, 1 June 2026, both days inclusive, during which no transfer of Shares will be registered. If the resolution in relation to the distribution of final dividend is approved by the Shareholders at the 2025 AGM and in order to determine the Shareholders who are entitled to receive the final dividend for the Year, the register of members will be closed from Friday, 5 June 2026 to Tuesday, 9 June 2026, both days inclusive, during which no transfer of Shares will be registered.

To be qualified for attending and voting at the 2025 AGM, the Shareholders whose transfer has not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company’s H Shares registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for H Shareholders), or the business address of the Company at No. 118 Wenquan Road, Zhaoyuan City, Shandong Province, the PRC (for holders of domestic Shares) for registration at or before 4:30 p.m. on Friday, 22 May 2026 (Hong Kong time).

To be entitled to receive the final dividend for the Year, Shareholders whose transfer of Shares have not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company's H Shares registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders), or the business address of the Company in the PRC at No. 118 Wenquan Road, Zhaoyuan City, Shandong Province, the PRC (for holders of domestic Shares) for registration at or before 4:30 p.m. on Thursday, 4 June 2026 (Hong Kong time).

AUDITOR

The financial statements of the Group for the year ended 31 December 2025 prepared in accordance with Hong Kong Financial Reporting Standards have been audited by Ernst & Young. The auditor is subject to re-election at the 2025 AGM and the Board resolved to appoint Ernst & Young as the Company's auditor. A resolution in relation to the appointment of Ernst & Young as the auditor of the Company will be proposed at the 2025 AGM. There was no change in auditors in any of the preceding three years.

By the order of the Board

Jiang Guipeng

Chairman

20 March 2026

* For identification purpose only

CORPORATE GOVERNANCE REPORT

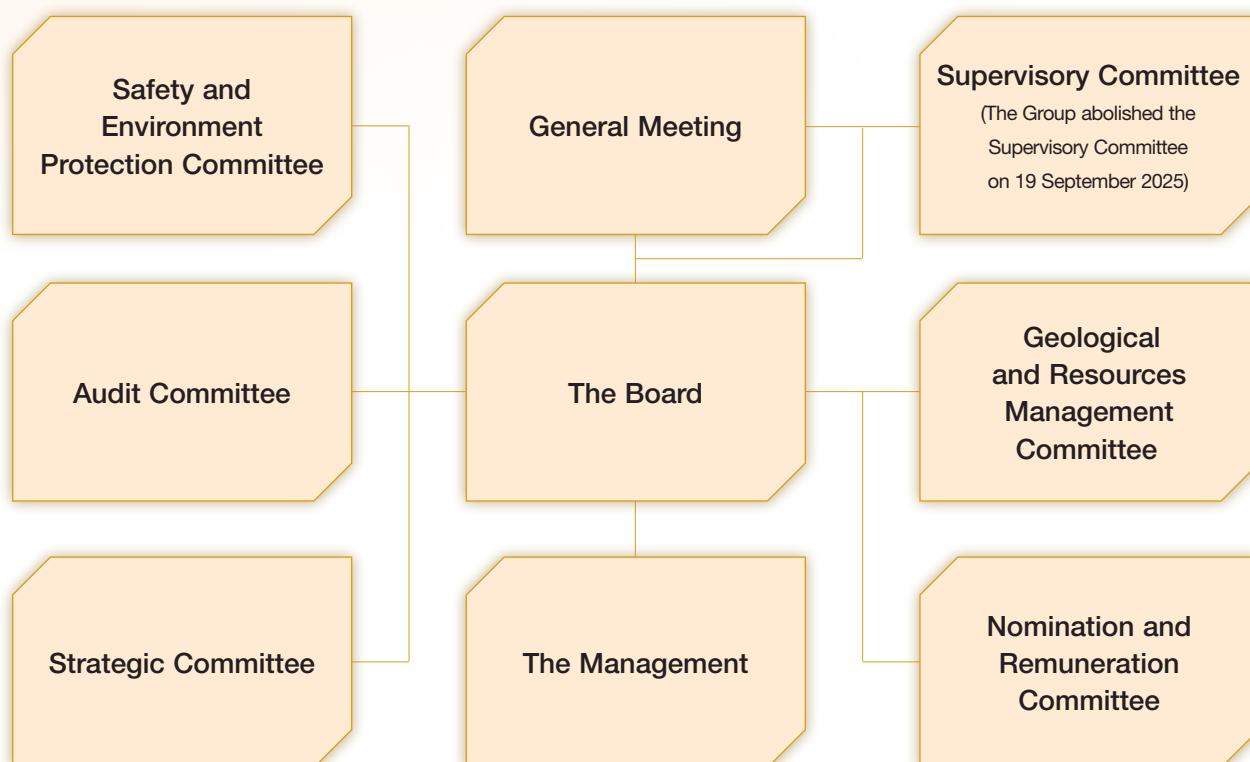
CORPORATE GOVERNANCE PRACTICE REPORT

As one of the largest overseas-listed gold mining companies in the PRC, to protect Shareholders' and staff's interests and create Shareholders' value, the Board and the management of the Company believe that a high standard of corporate governance is essential to the success of the Company and have always strived to maintain a high level of corporate governance standard and practice.

(A) CORPORATE GOVERNANCE PRACTICE

During the Year, the Company has complied with all the code provisions of the Code with no deviation, and has adopted certain recommended best practices in the Code where applicable.

For the year ended 31 December 2025, the corporate governance structure of the Company is set out as follows:



(B) SECURITIES TRANSACTION OF DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors and Supervisors.

Specific enquiries regarding non-compliance of the Model Code were made to all Directors and Supervisors, and they all confirmed that they have fully complied with the provisions contained in the Model Code during the Year.

(C) THE BOARD

The Board is the executive body of the Company and is primarily responsible for formulating operation plans, managing decisions and establishing the overall strategic direction of the Group. It is responsible for setting objectives and the business development plan of the Group and monitoring the performance of the senior management. The Board is also responsible for the compilation and approval of annual and interim results, risk management, major acquisitions, corporate governance functions, as well as other material operation and financial matters. The Board acts according to the Rules and Procedures of Board Meetings formulated by the Board. Under the leadership of the Board, the management will be empowered to implement the Group's strategies and business objectives. The Board and management have expressly defined the responsibilities and authorities towards internal controls, policies and day-to-day operation of the Group's business.

The eighth session of the Board comprises eleven Directors, of which four are executive Directors, three are non-executive Directors and four are independent non-executive Directors.

In accordance with the Articles of Association, Directors are elected or replaced by Shareholders in general meetings. Shareholders or the Board Committee are entitled to nominate a candidate for directorship by written notice. Directors are eligible to be re-elected upon expiry of term.

The eighth session of the Board was elected at the extraordinary general meeting convened on 26 February 2025. All members of the eighth session of the Board have a term of three years commencing from 26 February 2025.

Members of the Board come from different industry backgrounds and have extensive experience in science and technology, securities and finance, mining and metallurgy, corporate management and financial accounting.



CORPORATE GOVERNANCE REPORT

In the eighth session of the Board, the Company has four executive Directors responsible for specific management duties, representing 36% of the total number of the Board members. This helps the Board to closely review and monitor the management procedures of the Company. Mr. Jiang Guipeng, the Chairman of the Company, Mr. Duan Lei, the Executive President, Mr. Wang Ligang, vice president and the secretary to the Board and Mr. Wang Peiwu, vice president of the Company, have extensive experience in the gold mining management industry and are responsible for business management, formulating and implementing important strategies, making day-to-day business decisions and coordinating overall business operations.

The Company has four independent non-executive Directors, representing 36% of the total number of the Board members, which complies with the requirements of Rules 3.10(1) and 3.10A of the Listing Rules. The Company is of the view that the four independent non-executive Directors have extensive experience in the industry or financial matters and qualifications to perform their responsibilities, which complies with the requirements of Rule 3.10(2) of the Listing Rules which requires that at least one of the independent non-executive Directors to have appropriate professional qualifications, accounting or related financial management expertise. Independent non-executive Directors are assumed by persons who are independent of any Directors, Supervisors, chief executives and substantial Shareholders (as defined in the Listing Rules) or such individuals without any connection thereto (an independent third party), which complies with the requirement of independence under the Listing Rules. According to the Listing Rules, each independent non-executive Director shall confirm his/her independence to the Stock Exchange prior to his/her appointment. The Company has received the annual confirmation of independence from each of the four independent non-executive Directors confirming their independent status in accordance with Rule 3.13 of the Listing Rules on 20 March 2026. The Company has verified their independence and confirmed that all of the independent non-executive Directors were independent individuals. The four independent non-executive Directors held office in the Audit Committee, Nomination and Remuneration Committee, Geological and Resources Management Committee or Safety and Environmental Protection Committee under the Board.

The Board convenes meetings on a regular basis. A minimum of four meetings with Directors' attendance in person are held each year, and additional meetings will be convened if necessary. The secretary to the Board/ company secretary is responsible for assisting the Chairman of the Board in compiling agendas. Each Director can request to have discussion topics included in the agenda. The Company convened ten Board meetings of the eighth session of the Board, three general meetings and three class meetings during the Year and the record of attendance of each Director is set out as follows:

	Number of Board meetings convened	Attendance	Of which: attendance by proxy	Number of general meetings and class meetings convened	Attendance
<i>Executive Directors</i>					
Jiang Guipeng (<i>Chairman</i>)	10	10	(0)	5	5
Duan Lei (<i>Executive President</i>)	10	10	(0)	5	4
Wang Ligang (<i>Vice President and Board Secretary</i>)	10	10	(1)	5	5
Wang Peiwu (<i>Vice President</i>)	10	10	(0)	5	2
<i>Non-executive Directors</i>					
Long Yi (<i>Vice Chairman</i>)	10	10	(2)	5	0
Li Guanghui	10	10	(2)	5	1
Luan Wenjing	10	10	(0)	5	2
<i>Independent Non-executive Directors</i>					
Chen Jinrong	10	10	(0)	5	0
Choy Sze Chung Jojo	10	10	(0)	5	0
Wei Junhao	10	10	(1)	5	0
Shen Shifu	10	10	(0)	5	0

The Board or special committees circulate the relevant information provided by the senior management, which sets out the matters that require to be decided by the Board and the report concerning the Group's operation and financial performance prior to each Board meeting. Notices of Board meetings are delivered to the Board members at least 14 days before the meetings for the Directors to prepare to attend the relevant meetings and incorporate other matters into the agenda. The meeting documents and the agenda of the Board meeting or special committee meeting are distributed to Directors or special committee members at least three days before the meetings to allow them to have sufficient time to review the relevant documents and prepare for the meetings. Senior management shall be responsible for preparing the documents of the Board and special committees, submitting reports upon request from time to time and addressing or answering any potential questions raised by the Board members regarding the reports during the meetings.

The Directors are free to express their views at the meetings. Important decisions will only be made after due and careful discussion at the Board meetings. The Directors confirm that they have responsibility to act in the interests of the public and the Company, particularly in the interests of minority Shareholders. In the event of a conflict of interests between Shareholders' interests and any other interests, Shareholders' interests shall prevail.

The Board has established mechanisms to ensure independent views and input are available to the Board. A meeting between the Chairman and the independent non-executive Directors without the presence of other Directors, takes place at least once each year, to provide an avenue for independent views to be communicated to the Chairman directly.

Board meetings and special committee meetings are chaired by the Chairman of the Board and the chairman of the special committee, respectively, in order to ensure adequate time is allocated for discussion and consideration of each agenda item and provide equal opportunities for each Director to express his/her views and ideas.

Detailed minutes of meetings are compiled for the Board meetings or special committee meetings. Minutes of the meetings must record details and issues considered by the Directors during the meetings as well as the resolutions made, including any doubts or objections put forward by the Directors.

The Directors can provide comments on the draft minutes within a week after the draft minutes are provided to all Directors or special committee members. Draft minutes will then be approved after confirmation is given by the Chairman of the Board or the respective chairman of the special committee. Minutes of Board meetings or special committee meetings are kept by the secretary to the Board/company secretary and are available for inspection by the Directors at all times.

All Directors are free to communicate with the secretary to the Board/company secretary who is responsible for ensuring and advising on compliance of all procedures in connection with the Board and all applicable rules and regulations.

The management shall on their own accord or upon enquiries provide appropriate and sufficient information to the Directors and special committee members and/or respond as soon as possible, so as to keep them informed of the latest development of the Company to facilitate their performance of duties.

The management of the Company provides updated information, including corporate financial report, operation and market conditions to all Directors monthly, so as to keep them informed of the status of the Company and help them perform their duties.

The Company has purchased director's liability insurance for its Directors.

Each Director has been provided with a Director's Handbook containing guidance on practice. Provisions of regulations or relevant chapters of the Listing Rules are quoted in the Director's Handbook to remind Directors of the responsibilities they must discharge, including disclosure of their interest to the regulatory bodies, potential conflict of interests and changes of details of personal information.

The Board and special committees are provided with sufficient resources for performance of duties including but not limited to engaging external consultants when necessary at the expense of the Company.

Individual Directors can also engage external consultants for advice on specific issues at the expense of the Company.

All Directors can obtain from the secretary to the Board/company secretary the information and latest developments about rules and regulations and other continuing responsibilities which directors of listed companies must observe, so as to ensure that each Director is informed of his/her own duties and that the Company consistently implements the Board's procedures and properly complies with the applicable laws and regulations.

No relationship (including financial, business, family or other material/relevant relationship) exists between members of the Board.

(D) CHAIRMAN AND EXECUTIVE PRESIDENT

The roles of the Chairman and the Executive President of the Company are separated and their duties are stated in writing, and are assumed by different individuals who play their distinctive roles. During the Year, Mr. Jiang Guipeng, the Chairman of the Board, is responsible for setting the Group's overall corporate development directions and formulating business development strategies. Mr. Jiang is also responsible for ensuring the establishment, implementation and execution of sound corporate governance practices and procedures. Mr. Duan Lei, the Executive President, is responsible for the Group's day-to-day management and execution of approved strategies.

The Chairman is elected by the Board and is primarily responsible for convening and presiding over Board meetings, inspecting the implementation of Board resolutions, presiding over annual general meetings, signing transaction documents in relation to securities issued by the Company and other important documents, and exercising other rights conferred by the Board. The Chairman reports to the Board and is accountable to the Board.

The Executive President is nominated by the Chairman and appointed by the Board. The Executive President is responsible for the day-to-day operation of the Company, including implementing strategies and policies, the Company's operation plans and investment schemes approved by the Board, formulating the Company's internal control structure and fundamental management policies, drawing up basic rules and regulations of the Company, proposing to the Board the appointment or removal of senior management and exercising other rights granted under the Articles of Association and by the Board. The Executive President takes full responsibility to the Board for the operation of the Company.

(E) NON-EXECUTIVE DIRECTORS

The eighth session of the Board consists of three non-executive Directors and four independent non-executive Directors, accounting for approximately 63.63% of the total number of the Board members. Non-executive Directors include Mr. Long Yi, Mr. Li Guanghui, and Mr. Luan Wenjing, and independent non-executive Directors include Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Wei Junhao and Mr. Shen Shifu.

Each of the non-executive Directors and independent non-executive Directors has entered into a service contract with the Company, with a term of three years.

Pursuant to the Articles of Association, non-executive Directors and independent non-executive Directors may be re-elected on the expiry of the three-year term commencing from the date of their respective appointment.

(F) NOMINATION AND REMUNERATION COMMITTEE

For the year ended 31 December 2025, the Nomination and Remuneration Committee consisted of five members, among whom the Chairman is Mr. Choy Sze Chung Jojo, an independent non-executive Director. Other members are Mr. Wang Ligang and Mr. Wang Peiwu, both being executive Directors, and Ms. Chen Jinrong and Mr. Wei Junhao, both being independent non-executive Directors.

The major terms of reference of the Nomination and Remuneration Committee are set out as follows:

1. to advise the Board on the size and composition of the Board in light of the Company's operation and business activities, size of assets and shareholding structure; and to review the structure, size and composition of the Board at least once a year in order to implement the strategies of the Company;
2. to review the criteria and procedures for selection of Directors and senior management and make recommendation to the Board;
3. to conduct examination and make recommendations on candidates for Directors and senior management;
4. to formulate the standard or proposal for the remuneration package for Directors and senior management, based on their scope of work, responsibilities, importance of work and the remuneration level of other related positions, the standard or proposal of remuneration included but not limited to the amount of remuneration and bonus, performance evaluation standards, procedures and major evaluation system, major plans and systems for reward and punishment; and the standard or proposal of remuneration shall be determined with reference to the remuneration paid by comparable companies, time commitment and responsibilities;
5. to conduct examination and make recommendations on candidates for other senior management positions proposed to the Board for appointment;
6. to formulate annual evaluation target and conduct annual performance evaluation;
7. to conduct annual performance assessment of senior management during their terms of office and report to the Board for consideration of their reappointment;
8. to review and/or approve matters relating to share schemes as set out in Chapter 17 of the Listing Rules; and
9. other duties authorized by the Board.

The details of the terms of reference of the Nomination and Remuneration Committee are available on the websites of the Stock Exchange and the Company.

CORPORATE GOVERNANCE REPORT

Working procedures of the Nomination and Remuneration Committee include:

1. to actively communicate with the relevant divisions of the Company to research on the demand of the Company for new Directors and senior management and to formulate written materials;
2. to extensively look for candidates of Directors and senior management within the Company and its controlled (holding) companies as well as in the recruitment market;
3. to convene meetings of the Nomination and Remuneration Committee and to check the qualification of initially proposed candidates according to the job requirements of Directors and senior management; and
4. to implement the policy of Directors' remuneration, evaluate performance of executive Directors and approve contractual terms stipulated in service contracts of executive Directors. Remuneration of Directors and Supervisors for the year ended 31 December 2025 are detailed in note 9 to the financial statements on pages 163 to 167 in this annual report.

During the Year, the Nomination and Remuneration Committee convened two meetings, both of which were chaired by the chairman of the committee. The record of attendance of each member of the committee is set out below:

	Number of meeting	Attendance	Of which: attendance by proxy
Choy Sze Chung Jojo (<i>Chairman</i>)	2	2	(0)
Wang Ligang	2	2	(0)
Wang Peiwu	2	2	(0)
Chen Jinrong	2	2	(0)
Wei Junhao	2	2	(0)

In the Year, the Nomination and Remuneration Committee considered and passed the resolutions on "Appraisal of 2025 Annual Remuneration of the President and Senior Management", as well as proposing candidates for executive Directors of the eighth session of the Board and candidates for the vice-president.

Nomination Policy

Nomination of executive Directors of the Company is mainly through the internal selection and identification of the Group's staff who are familiar with the gold mining industry with extensive management experiences; while nomination of non-executive Directors is based on their independence, their experience in gold mining industry and business management and their technical expertise, and reference is also made to the requirements of the laws and regulations in the jurisdiction where the Company is listed, and the reasonableness of the structure and composition of the Board when selecting eligible persons for Directors.

Directors to be appointed and re-elected at the general meeting shall be first considered by the Nomination and Remuneration Committee. A recommendation from the committee would then be put forward for the Board's decision. Once approved, the proposal will be put forward to the general meeting. Subsequently, all those Directors are subject to the Shareholders' approval for appointment or re-election at the general meeting pursuant to the requirements of the Articles of Association. In considering the new appointment or re-election of Directors, the Nomination and Remuneration Committee shall make its decision based on their attributes such as integrity, loyalty, industry experience and professional and technical skills together with the commitment to the Company, efficiency and effort to carry out their duties.

Candidates for Directors are normally submitted to the Shareholders' meeting by the Board in the form of proposals. The Shareholders Committee of the Company may nominate candidates for Directors in accordance with the Articles of Association.

Board Diversity Policy

The Board has adopted the board diversity policy in relation to the nomination and appointment of new Directors, which sets out: the selection of Board candidates shall be based on a range of diversified perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience.

The above measurements were also reviewed and adopted when the Nomination and Remuneration Committee reviewed the composition of the Board. After assessing the suitability of the Directors' skills and experience to the Company's business, the Nomination and Remuneration Committee confirmed that the existing Board was appropriately structured and no change was required.

CORPORATE GOVERNANCE REPORT

As at the date of this report, the following table and paragraph illustrates the composition and diversity of the Board in terms of four objective criteria, namely (i) gender, (ii) age group, (iii) cultural and educational background and (iv) industry and professional experience.

Gender			Age group			
Male	Female	41 to 45	46 to 50	51 to 55	56 to 60	61-67
90.91%	9.09%	9.09%	18.18%	36.36%	9.09%	27.27%
Cultural and educational background			Industry and Professional experience			
Bachelor's degree holder	Master's degree holder	Doctoral degree holder	Mining	Law	Finance	Others
36.36%	18.18%	45.45%	63.63%	9.09%	9.09%	18.18%

The Nomination and Remuneration Committee considers that the existing composition of the Board is diversified, taking into account: (i) the business model of the Group; (ii) the specific needs of the Group; (iii) the different background of the Directors; and (iv) the Board already has one female member. The Company's Environmental, Social and Governance Report, which has been published on the same date, also discloses gender diversity at the employee level, including senior management.

With regards to gender diversity on the Board, the Company recognises the particular importance of gender diversity and will continue to promote gender diversity of the Board. To ensure gender diversity of the Board in the long run, the Company will identify and select female candidates with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female candidates, which will be reviewed by the Nomination Committee periodically. The Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that the Company will have a pipeline of female senior management and potential successors to the Board. The Group plans to offer all-rounded trainings to female employees whom we consider to have the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development. The Board will continue to embrace gender diversity when making future board appointments but no specific targets or timelines to further enhance gender diversity have been set as it is of the view that all aspects of diversity should be considered as a whole in the selection of suitable candidates for appointment to the Board. The Group is of the view that such strategy will offer chances for the Board to identify capable female employees to be nominated as a member of the Board in future.

In evaluating the performance of the Directors and senior management, the Company used budget targets and audited financial reports as benchmarks. At the same time, sales revenue and net profits were used as key performance indicators for the evaluation. It is the Company's policy that remuneration is linked to the Company's results and performance. Directors' remuneration is determined according to the appraisal by the Nomination and Remuneration Committee. Total annual income of senior management includes a basic annual salary and a performance-based annual bonus. The remunerations of Directors and Supervisors are determined in general meetings according to related policies or regulations of the PRC and the actual situation of the Company. The remunerations of Directors and Supervisors of the Company are determined on the basis of their specific management positions held by them in the Company.

Senior management's remuneration

The annual emoluments of the senior management fell within the following bands:

	Number of Individuals	
	2025	2024
Below HK\$1,000,000 (approximately equivalent to RMB903,220)	5	5
HK\$1,000,001 – HK\$2,000,000 (approximately equivalent to RMB903,221 – RMB1,806,440)	<u>2</u>	<u>3</u>
Total	<u><u>7</u></u>	<u><u>8</u></u>

(G) AUDITOR'S REMUNERATION

The auditor appointed by the Company is nominated by the Board and approved in the general meeting. There was no disagreement between the Board and the Audit Committee on the selection and the appointment of the auditor. Their remuneration was determined by the Board as authorised by the general meeting. During the Year, the remuneration paid to the auditors for their auditing services to the Group was RMB4,160,000 (2024: RMB4,160,000).

No fee was incurred by the Company for provision of non-audit services by the international auditor.

(H) AUDIT COMMITTEE

To achieve best corporate governance practice, the Company established the Audit Committee on 16 October 2004. The committee members have necessary professional qualifications and experience in financial matters and are familiar with the accounting and financial affairs, so that they can perform functions and powers in full, in compliance with the requirement of the relevant Listing Rules. The members of the Audit Committee shall have a term of office of three years.

For the year ended 31 December 2025, the Audit Committee comprised three members, with Ms. Chen Jinrong, being an independent non-executive Director, as the Chairman. Other members were Mr. Wei Junhao, and Mr. Choy Sze Chung Jojo, being independent non-executive Directors.

CORPORATE GOVERNANCE REPORT

The major working system and terms of reference of the Audit Committee are set out as follows:

1. to propose the appointment, reappointment or change of external auditors, approve the remuneration and terms of the external auditors, and handle with any issues regarding the resignation or dismissal of the external auditors;
2. to supervise the Company's internal audit system and its implementation;
3. to take charge of the communication function in respect of internal and external audit work;
4. to ensure the completeness of the Company's financial statements and annual reports, interim reports and accounts, and review the significant opinion on financial reporting contained therein;
5. to review the Company's financial control, internal control and risk management systems;
6. to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function has adequate resources and appropriate status in the Company, and to review and monitor the effectiveness of the internal audit function;
7. to review the Group's financial and accounting policies and practices;
8. to review the external auditors' letter to the management in respect of audit matters, review material queries raised by the auditors to the management in respect of accounting records, financial accounts or risk management and internal control systems and the management's response to those queries;
9. to ensure that the Board will respond in a timely manner to the issues raised in the external auditors' letter to the management in respect of audit matters; and
10. other matters or issues assigned by the Board.

Details of the terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

During the Year, the Audit Committee convened two meetings, both of which were chaired by the chairman of the committee. The record attendance of each member of the committee is set out below:

	Number of meetings	Attendance	Of which: attendance by proxy
Chen Jinrong (<i>Chairman</i>)	2	2	(0)
Choy Sze Chung Jojo	2	2	(0)
Wei Junhao	2	2	(1)

Major work performed by the Audit Committee during the Year includes:

1. reviewed the Group's annual report and final results announcement for the year ended 31 December 2024;
2. reviewed the Group's interim report and interim results announcement for the six months ended 30 June 2025;
3. assisted the Board in making independent assessment of the effectiveness of the Group's financial reporting procedures and internal control system;
4. supervised internal audit work of the Company;
5. provided opinions on the significant matters of the Company or drew management's attention to relevant risks; and
6. evaluated the performance of our PRC auditor and international auditor.

All matters considered during the Audit Committee meetings were duly recorded in accordance with related rules, and the records were kept upon review by all members of the Audit Committee with amendments. After each meeting, the chairman has submitted reports on the significant matters discussed to the Board.

(I) DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements for each financial year, which give a true and fair view of the status of financial affairs of the Group and of the results and cash flow for that year and in compliance with relevant laws and disclosure provisions of the Listing Rules.

In preparing the financial statements for the year ended 31 December 2025, the Directors have selected appropriate accounting policies and applied them consistently; made prudent and reasonable judgments and estimates; and have prepared the financial statements on a going concern basis. The Directors are responsible for keeping proper accounting records in order to make reasonable and accurate disclosure of the financial position of the Group at any time.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

(J) STRATEGIC COMMITTEE

The Company has established the Strategic Committee of the Board which is mainly responsible for conducting research and proposing recommendations on the strategies of long-term development and material investment decisions of the Company.

For the year ended 31 December 2025, the Strategic Committee comprised three members, with Mr. Jiang Guipeng, being an executive Director, as the chairman. Other members included Mr. Long Yi and Mr. Li Guanghui, both being non-executive Directors.

The major duties and terms of reference of the Strategic Committee are set out as follows:

1. conducting research and proposing recommendations on the strategies of long-term development of the Company;
2. conducting research and proposing recommendations on the significant investment and financing proposal, the significant capital operations and asset operation projects which are subject to approval of the Board as required by the Articles of Association;
3. conducting research and proposing recommendations on other material matters that affect the Company's development; and
4. other matters authorised by the Board.

During the Year, the Strategic Committee convened one meeting chaired by the chairman of the committee. The record of attendance of each member of the committee is set out below:

	Number of meetings	Attendance	Of which: attendance by proxy
Jiang Guipeng (<i>Chairman</i>)	1	1	(0)
Long Yi	1	1	(0)
Li Guanghui	1	1	(0)

Details of the terms of reference of the Strategic Committee are available on the website of the Company.

(K) GEOLOGICAL AND RESOURCES MANAGEMENT COMMITTEE

The Geological and Resources Management Committee of the Board is mainly responsible for the management of geological exploration and gold mineral resources, providing accurate storage basis to the Company, reviewing geological exploration plans, the usage condition of new storage and proved storage, enhancing the decision making ability, reducing operation risk of the enterprise and enhancing the corporate governance structure.

For the year ended 31 December 2025, the Geological and Resources Management Committee comprised three members, with Mr. Wei Junhao, being an independent non-executive Director, as the chairman. Other members were Mr. Li Guanghui, being a non-executive Director, and Mr Shen Shifu, being an independent non-executive Director.

The major duties and terms of reference of the Geological and Resources Management Committee are set out as follows:

1. standardizing the Company's classification of gold mineral reserves, the scope of application of the reserves classification, the standards on preparation of geological exploration summary report and the procedural requirement in submitting the reserves report in accordance with relevant national requirements;
2. analyzing the situation of gold mine resources, and establishing long-term strategies and year plan of geological exploration and utilisation of reserves;
3. reviewing annual utilisation of reserves and the quantity of reserves, and reviewing new reserves of various mines; and
4. other matters authorised by the Board.

CORPORATE GOVERNANCE REPORT

During the Year, the Geological and Resources Management Committee convened one meeting chaired by the chairman of the committee to discuss the amount of new geological reserves of the Company in 2025. The record of attendance of each member of the committee is set out below:

	Number of meetings	Attendance	Of which: attendance by proxy
Wei Junhao (<i>Chairman</i>)	1	1	(0)
Li Guanghui	1	1	(0)
Shen Shifu	1	1	(0)

Details of the terms of reference of the Geological and Resources Management Committee are available on the website of the Company.

(L) SAFETY AND ENVIRONMENT PROTECTION COMMITTEE

The Safety and Environment Protection Committee of the Board is mainly responsible for conducting research and proposing recommendations on material safety and environmental protection decisions of the Company.

For the year ended 31 December 2025, the Safety and Environment Protection Committee comprised three members, with Mr. Duan Lei, being an executive Director, as the chairman. Other members included Mr. Luan Wenjing, being a non-executive Director, and Mr. Shen Shifu, being an independent non-executive Director.

The major duties and terms of reference of the Safety and Environmental Protection Committee are set out as follows:

1. conducting research on significant safety and environmental protection investment projects during the Year;
2. formulating the long-term plan and annual plan of safety and environmental protection;
3. carrying out research and examination on the implementation of the above matters; and
4. other matters authorised by the Board.

During the Year, the Safety and Environment Protection Committee convened one meeting chaired by Mr. Duan Lei, the chairman of the committee. The committee reviewed and passed the Summary of Safety and Environmental Protection Work for 2024 and reviewed and passed the Plan on Safety and Environment Protection Work for 2025.

The record of attendance of each member of the committee is set out below:

	Number of meetings	Attendance	Of which: attendance by proxy
Duan Lei (<i>Chairman</i>)	1	1	(0)
Luan Wenjing	1	1	(0)
Shen Shifu	1	1	(0)

Details of the terms of reference of the Safety and Environmental Protection Committee are available on the website of the Company.

CORPORATE GOVERNANCE FUNCTION

No corporate governance committee has been established, but the Board recognises that corporate governance should be the collective responsibility of Directors and the corporate governance duties include:

- to formulate and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the Listing Rules and disclosure in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

MONITORING MECHANISM

SUPERVISORY COMMITTEE (THE GROUP ABOLISHED THE SUPERVISORY COMMITTEE ON 19 SEPTEMBER 2025)

The seventh session of the Supervisory Committee was established by election at the annual general meeting convened on 5 June 2023. The committee comprised Mr. Leng Haixiang, Mr. Hu Jing and Ms. Zhao Hua, among whom Ms. Zhao Hua was an employee representative Supervisor and Mr. Leng Haixiang was the chairman of the Supervisory Committee. The number of members and composition of the Supervisory Committee were in compliance with the laws and regulations.

At the extraordinary general meeting convened on 26 February 2025, Shareholder representative Supervisors of the seventh session of the Supervisory Committee, Mr. Leng Haixiang and Mr. Hu Jin, were re-elected as Shareholder representative Supervisors of the eighth session of the Supervisory Committee. Ms. Zhao Hua resigned as an employee representative Supervisor on the same day. Ms. Li Hongai was elected as an employee representative Supervisor of the eighth session of the Supervisory Committee at the employees' representative meeting of the Company held on 22 January 2025. The Company held the 2025 second extraordinary general meeting on 19 September 2025 and approved (among other things) the abolishment of the Supervisory Committee. The positions of the members of the Supervisory Committee (namely Mr. Leng Haixiang, Mr. Hu Jin and Ms. Li Hongai) as Supervisors will be automatically removed. The functions and powers of the Supervisory Committee as stipulated in the Company Law of the PRC will be exercised by the Audit Committee of the Board, and the rules of procedures for the Supervisory Committee of the Company was abolished accordingly.

The Supervisory Committee is granted with powers in accordance with the laws to perform the following duties independently: to examine the financial position of the Company, to monitor whether the Directors, president, vice president and other senior management act in contravention to the Code of Conduct, laws and regulations, the Articles of Association and the resolutions of the general meetings, to demand rectification from the above officers when their acts are detrimental to the interests of the Company, to review the financial information such as the financial report, results report and plans for distribution of profits to be submitted by the Board to the general meetings and when it considers necessary, to authorise a re-examination by the auditors of the Company in the name of the Company, to propose the convening of an extraordinary general meeting and propose resolutions to Shareholders' meetings, to represent the Company in negotiations with, or bringing an action against, Directors, and to perform other duties required by relevant laws, regulations and rules imposed by domestic and overseas supervisory bodies at the place of listing.

The Supervisory Committee is accountable to the general meeting. Each year, the Supervisory Committee presents the Report of the Supervisory Committee and reports their performance of duties at the annual general meeting. The Supervisory Committee also evaluates the performance and integrity of the Directors, president, vice president and other senior management, and reviews the auditors' reports issued by the auditors in accordance with the generally accepted accounting principles.

During the Year, the eighth session of the Supervisory Committee convened three meetings. The attendance rate of the three Supervisors during their respective term of office was 100%.

All Supervisors attended all the Board meetings and monitored on behalf of the Shareholders the compliance with the laws and regulations in respect of financial activities of the Company, the performance of duties by Directors and senior management and, supervised the decision making procedures of the Board. The Supervisors had performed their statutory duties impartially.

INTERNAL CONTROL AND INTERNAL AUDIT

The Board acknowledges its responsibilities for the Group's risk management and internal control systems and has established and maintained the Company's risk management and internal control systems for reviewing the effectiveness of relevant financial, operating and supervisory control procedures to ensure that all internal control measures are in place to safeguard the Group's assets and to comply with relevant regulations and the best practices. The Board is also aware of the fact that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable assurance and not absolute assurance against material misstatement or loss.

The Board authorises the management of the Company to implement the risk management and internal control systems mentioned above, and the effectiveness of which is reviewed by the Audit Committee. The internal control system includes a management framework with clearly defined duties for the purposes of:

1. assisting the Company in accomplishing various business objectives and ensuring that the Company's assets will not be appropriated or disposed of;
2. ensuring that the Company's accounting records provide reliable financial data for internal use or public disclosure; and
3. ensuring compliance with relevant legislations and requirements.

Aiming at more effective review of the effectiveness of the risk management and internal control systems, the Company set up an internal audit department in April 2004 to review, monitor and assess the disclosure of financial information, operations and internal control activities of the Company and its associated companies on a regular basis and when necessary, based on potential risks and the importance of internal control systems for different businesses and workflows. This can ensure the transparency of information disclosure, operating efficiency and effectiveness of the corporate monitoring mechanism. The independent and objective evaluation and recommendation are also provided in the form of an audit report. The internal auditors are entitled to have access to all information of the Company and to make enquiries to relevant persons in performing their duties. The manager of the internal audit department directly reports the relevant outcomes and his/her opinions to the Audit Committee for consideration. After reviewing the reports, the Audit Committee makes its recommendation to the management of the Company and regularly reports to the Board.

The Company has been emphasizing internal control and has set up relevant internal management systems and procedures for corporate governance, operation, construction, finance, and administration and human resources. In December 2004, an internal control system was approved by the Board. It summarises and states the objectives, content, methods and duties of the internal control system. This will facilitate the Company's continuing review and assessment on compliance with the existing systems and the effectiveness of internal control.

CORPORATE GOVERNANCE REPORT

The Company regulates the handling and dissemination of inside information as set out in the Corporate Responsibility Policy and various auxiliary procedures to ensure inside information remains confidential until the disclosure of such information is appropriately disclosed, and the dissemination of such information is efficiently and consistently made.

The Board reviewed the risk management and internal control systems at least once a year and conducted a comprehensive review of the effectiveness of the risk management and internal control systems of the Company during the Year, which included the Company's financial control, operation control, compliance control and risk management function, etc. To further promote effective internal control, the Board set up the following major procedures:

- The power and responsibility of the Company's organizational structure are clearly defined and have distinguishable monitoring levels. All department heads participate in formulating strategic plans and determining the Company's corporate strategies for the next three years to achieve objectives set out in the annual operation plan and annual operational and financial targets in next three years. Both the strategic plans and annual operational plan are used as the basis of formulating annual budgets; the Company allocates resources depending on the definability and priority of business opportunities based on annual budgets. Other than the three-year plan which is approved by the Board and subject to annual review, the annual operational plan and annual budgets should also be approved by the Board annually.
- The Company establishes a comprehensive management and accounting system to provide the management with an indicator to measure financial and operational performances, as well as relevant financial information that can be used for reporting and disclosure. The budget gap, if any, shall be analysed and explained, and appropriate actions shall be taken to remedy the problems found as necessary.
- The Company also has systems and procedures in place to identify, measure, deal with and control risks which include legal, credit, market, centralisation, operational, environmental, behavioural risks as well as other risks which may influence the development of the Company.
- The internal audit department will carry out an independent review on identified risks and controls so as to provide reasonable guarantee to the management and the Audit Committee that the risks are satisfactorily handled and the controls are fully effective.

During the Year, the Company continued to appoint an internal control and assessment advisor who is an independent third party to conduct detailed assessment about the risk management and the internal control systems for the Year. According to the assessment report by the internal control and assessment advisor, the Board had reviewed the risk management and the internal control systems of the Company and its subsidiaries and confirmed the effectiveness of these systems and these systems are adequate. In addition, the Board had received a confirmation from management on the effectiveness of the Company's risk management and internal control systems. Audit Committee had not found material deficiencies on the risk management and the internal control systems.

CHIEF FINANCIAL OFFICER

The chief financial officer is in charge of the financial affairs of the Company and is accountable to the President of the Company. The chief financial officer is responsible for preparing financial statements in accordance with accounting principles generally accepted in the PRC and in Hong Kong, and to ensure compliance with disclosure requirements as stipulated by the Stock Exchange. The Board takes the ultimate responsibility towards the financial statements prepared by him.

The chief financial officer is responsible for organizing and preparing the Company's annual budget plan and the final account proposal, as well as monitoring the implementation of the Company's annual financial and operating plans. In addition, the chief financial officer shall assist the Board in the establishment of relevant internal control systems and make recommendations to the Board.

RELATIONSHIP WITH SHAREHOLDERS, INVESTORS AND OTHER CONCERNED PARTIES

The Company is committed to ensuring that all Shareholders, including the minority Shareholders, enjoy equal status and fully exercise their own rights.

GENERAL MEETING

As the highest authority of the Company, the general meeting exercises its rights under the law to make decisions on significant matters of the Company. The Company establishes and maintains various communication channels with Shareholders by way of publication of annual reports, interim reports and announcements. To promote effective communication, Shareholders can choose to receive corporate communications via electronic means. The information mentioned above is also published on the website of the Company.

The annual general meeting or extraordinary general meeting (if any) serves as a direct communication channel between the Board and the Shareholders. All Directors understand that general meetings provide an effective platform for ideas exchange between Shareholders and Directors and direct communication between Directors and other senior management and Shareholders, and they shall report to Shareholders with regard to the Group's operations, answer Shareholders' queries and maintain effective communications with Shareholders. Accordingly, the Company attaches much importance to general meetings. In addition to the issue of notice of the meeting at least 21 days and 15 days prior to the annual general meeting and extraordinary general meeting, respectively, the Company requires all Directors and senior management to employ their best endeavors to attend the general meetings. Also, all Shareholders are encouraged to attend general meetings. At the general meetings, Shareholders can make enquiries about the Company's operational status or financial information and are also welcome to express their views thereof.

Details about the voting procedures and the Shareholders' rights to request for voting by poll are set out in notices or circulars of the general meeting issued to the Shareholders together with the annual reports. Voting results are not only announced at the meeting, but also available for inspection on the websites of the Company and the Stock Exchange.

Upon review of the implementation and effectiveness of the Shareholders' communication policy conducted during the Year, the Board considers that the Company's Shareholder communication policy is still effective.

CORPORATE GOVERNANCE REPORT

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A GENERAL MEETING

1. Two or more Shareholders jointly holding more than 10% (inclusive) of shares with voting rights at the general meeting to be convened may sign one or several written requests with the same format and content to propose to the Board to convene an extraordinary general meeting or class meeting, and specify the topics of the meeting. The Board shall convene an extraordinary or class meeting responsively after receipt of the aforesaid written request. The aforesaid amount of shareholding is calculated as on the day when the Shareholders make the written request.
2. If the Board fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the Shareholders tendering the said request may convene a meeting by themselves within 4 months after the Board receives the said request, and the convening procedure shall, to the extent possible, be the same as the procedure by which the Board convenes general meetings.

Where the Shareholders convene a general meeting because the Board fails to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred shall be borne by the Company and shall be deducted from the monies payable by the Company to the defaulting Directors.

PROCEDURES FOR SHAREHOLDERS TO RAISE ENQUIRIES TO THE BOARD

Shareholders can raise enquiries to the Board during business hours of the Company.

Contact: Address: The Secretary Office of the Board, No. 118 Wenquan Road, Zhaoyuan City, Shandong Province, PRC
Tel: +86 535 8256086
E-mail: ZJKY_IR@zhaojin.com.cn

PROCEDURES FOR SHAREHOLDERS TO MAKE PROPOSALS AT THE GENERAL MEETING

When the Company convenes a general meeting, Shareholders holding more than 3% (inclusive) of the total voting shares of the Company have the right to submit proposals in writing to the Company, and the Company shall place the proposals on the agenda for the said general meeting if the said proposals fall within the functions and powers of general meetings.

Contact: Address: The Secretary Office of the Board, No. 118 Wenquan Road, Zhaoyuan City, Shandong Province, PRC
Tel: +86 535 8256086
E-mail: ZJKY_IR@zhaojin.com.cn

In 2025, the Company convened one annual general meeting, one domestic shares class meeting, one H shares class meeting and two extraordinary general meetings.

CONTROLLING SHAREHOLDER

As at 31 December 2025, 660,837,607 domestic shares and 588,615,597 H shares were held by Zhaojin Group, the controlling Shareholder of the Company, representing approximately 35.27% of the total issued ordinary shares of the Company.

As the controlling Shareholder of the Company, Zhaojin Group has never overridden the general meeting to directly or indirectly intervene in the Company's decision-making and operation. The Company has always remained independent from the controlling Shareholder in terms of assets, finance, organization and business.

COMPANY SECRETARY

Ms. Ng Ka Man ("Ms. Ng"), who is a senior manager of the Listing Services Department of TMF Hong Kong Limited, was appointed as company secretary. Mr. Wang Ligang, secretary to the Board of the Company, is the primary corporate contact person between her and the Company. In compliance with Rule 3.29 of the Listing Rules, during the year ended 31 December 2025, Ms. Ng has received not less than 15 hours of relevant professional training.

INDEPENDENCE OF ZHAOJIN GROUP

The Directors believe that the Company is independent of Zhaojin Group's business:

- **Management independence:** The Board of the Company has one executive Director and two non-executive Directors who also held management positions in the Zhaojin Group. However, this does not affect the management independence of the Company. The independent non-executive Directors have relatively great influence over the Board's decisions, and those related Directors shall abstain from voting in relation to any resolution which involves the interests of the Zhaojin Group in Board meetings. Therefore, the participation of independent non-executive Directors would be sufficient for managing the material conflicts of interests arising from the overlap of management.

Apart from the above Directors, none of the executive Directors or members of senior management of the Company hold positions in the Zhaojin Group concurrently at present.

- **Production and operation independence:** Since its incorporation, the Group has operated its business independently of the Zhaojin Group, and has not shared any of its production teams, production facilities and equipment, or marketing, sales and general administration resources with the Zhaojin Group or its associated companies, except as described in the section of "Connected Transactions and Continuing Connected Transactions" with respect to services by the Zhaojin Group, which were conducted on an arm's length basis and on normal commercial terms. The Zhaojin Group operates gold bullion trading agency business through its SGE membership and had approximately 423 customers in addition to the Company as at 31 December 2025 (as at 31 December 2024: approximately 650 customers).

CORPORATE GOVERNANCE REPORT

The refinery business owned by the Zhaojin Group through its majority interest in Zhaojin Refinery provides gold refinery services to gold production enterprises and had approximately 323 customers in addition to the Company as at 31 December 2025 (as at 31 December 2024: approximately 403 customers). Under the terms of the agreements with the Zhaojin Group for these services, the Company may terminate the agreements at any time and the Company is not prohibited from engaging other service providers during the term of the agreements.

In the Yantai region, there are more than four other qualified refineries and more than six other SGE members that the Company can readily engage on comparable terms as those which the Company has agreed with the Zhaojin Group to provide the Company with refinery or trading agency services, if necessary.

- **Independence of access to supplies and raw materials:** The Group's principal supplies and raw materials for production, namely, electricity and water, gold and silver concentrates, and auxiliary materials, are mainly sourced from independent suppliers not related to the Zhaojin Group.
- **Independence of access to customers:** The Group's customers mainly comprise purchasers of its standard gold bullion on the SGE. The anonymity and market-driven nature of SGE trades ensure that there is no issues which affect or compromise customer independence. As far as the Directors are aware, the Group's other customers, being metallurgical enterprises that purchase silver and sulphur and other metals concentrates from it, are independent of the Zhaojin Group.
- **Financial independence:** The Group has an independent financial department that is independent of and does not share functions or resources with the Zhaojin Group. The Group's financial auditing is undertaken separately from that of the Zhaojin Group by its own staff. The Group has separate bank accounts and tax registration. While the Group has, in the past, enjoyed the benefit of Shareholder loans from and/or bank loans guaranteed by the Zhaojin Group, all the Shareholder loans have been repaid and most of such guarantees have been released. In their place, the Group has obtained bank financing at market rates from independent financial institutions and did not experience any difficulties in doing so. Given the Group's financial and cash flow position, the Directors believe that, if required, the Group is able to obtain further loans and credit facilities from financial institutions at market rates without material difficulty.

NON-COMPETITION AGREEMENT

On 17 November 2006, the Company and the Zhaojin Group entered into a Non-competition Agreement which set out arrangements to minimize the competitive impact on the Company of the investments of Zhaojin Group in gold related assets and businesses.

The Company has received a statement under the Non-competition Agreement from Zhaojin Group dated 6 January 2026, which stated that Zhaojin Group, as the controlling Shareholder of the Company, has complied with its undertakings under the Non-competition Agreement dated 17 November 2006 for the year ended 31 December 2025.

INVESTOR RELATIONS

In 2025, the Company intensified efforts in investor relations management, strengthened interactions with investors and endeavored to elevate the standard of corporate governance. One is to provide regular reports and briefing sessions, strictly disclose regular reports according to regulations, and ensure accurate, timely, and complete information. After the release of regular reports, a combination of online and offline performance briefing sessions will be held, where company executives and investors can communicate in real-time, deeply interpret financial data, business progress, and strategic planning, and answer questions and clarify doubts. The second is to carry out multi-channel communication, set up dedicated investor consultation email and hotline, and ensure timely response. Throughout the Year, the Company responded to more than 80 inquiries from investors, either by telephone or by in-person visits, and staged four roadshows and results presentation events, which were in the forms of group meeting, teleconference and video conference, combining both offline and online means. The Company's excellent investor management practices have been widely recognized by the market and investors, earning it such honors as the Gold Bull Award for Listed Companies (Hong Kong Stocks), the Gold Round Table – Board Value Creation Award, the Most Valuable Investment Award, the Investor Relations Tianma Award, and the Best Hong Kong Stock Connect Company.



Investors and the public are welcome to visit the “Investor Relations” section on the Company’s website (www.zhaojin.com.cn) for the latest news and announcements. Information about the latest business development and news of the Company are also available to Shareholders on the website.

CORPORATE GOVERNANCE REPORT

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company reviewed and approved (i) the amendments of Article 3.5, and Article 3.6 to the Articles of Association at the 2024 annual general meeting held on 2 June 2025; and (ii) the amendments of Article 5.3, Article 6.8, Article 7.3, Article 7.5, Article 8.2, Article 8.4, Article 8.6, Article 8.8, Article 8.21, Article 10.6, Article 10.14, Article 13.1, Article 13.2, Article 13.3, Article 13.4, Article 13.5, Article 13.6, Article 13.7, Article 13.8, Article 13.9, Article 14.1, Article 14.3, Article 14.4, Article 14.5, Article 14.6, Article 14.7, Article 14.8, Article 14.9, Article 14.10, Article 14.11, Article 14.12, Article 14.14, Article 14.16, Article 14.17, Article 14.18, Article 23.1, and Article 25.2 to the Articles of Association at the 2025 second extraordinary general meeting held on 19 September 2025.

OTHER INTERESTED PARTIES

The Company has full respect for the interests of its employees, Shareholders, the government and community (“Four Sides”), and strives to build a “Four Sides” satisfactory enterprise. By understanding their expectations and feedback on the sustainable development of our company, we can enhance the level of sustainable development of the enterprise.

CONTINUOUS ENHANCEMENT OF CORPORATE GOVERNANCE STANDARD

Good corporate governance is for catering to the basic requirements of regulators on listed companies, and more importantly, meeting the inherent needs for the development of the Company. A scientific and standardized system, mutual supervisory regime and effective enforcement are essential to the healthy and sustainable development of the Company. The Company strictly observes the laws and regulations and supervision requirements of the PRC and Hong Kong so as to step up efforts to improve the transparency and independence of its operations, to enhance the corporate governance standard, to realize steady development, and to constantly enhance the Shareholders’ value.

TRAINING FOR THE DIRECTORS

As stipulated by the Listing Rules, the Directors are required to acquaint their respective responsibilities. In order to provide better assistance to the Directors for discharging their duties, the Company will, pursuant to the requirements of the regulators, actively arrange the Directors to participate in various training programmes such as the business of a listed company and corporate governance. Moreover, the Company will provide the Directors with written information on specific policies and regulations issued by the regulators so as to enable them to comprehend relevant laws, regulations and policies instantly during the process of discharging their respective duties, thereby assisting the Directors to better set the Company’s production and business objectives. After the newly appointed Directors assume the position, the Company will provide them written information which covers laws, regulations and other details related to the Directors’ duties to enable them to clearly acquaint their duties as required by laws and regulations, and to discharge related duties accordingly. The Directors will be invited to conduct on-site inspections on the Company’s projects in response to the Company’s development, and to make reasonable suggestions and comments to the Company based on their respective areas of expertise.

All the Directors of the Company have been taking an active part in various trainings which were beneficial to the constant development of their professional capabilities, helpful in enhancing their expertise and know-how, and in their participation in the operation of the Board.

Details of the training attended by the Directors during 2025 are set out below:

Director	Position	Participation of Training Types	Training Types
Jiang Guipeng	Executive Director, Chairman	A, B, C, D	A. Training provided by regulators B. Attending seminars/forums C. Reading economic, financial and business articles, as well as articles and information related to the duties of a director and the Company D. Conducting on-site inspections on the Company's businesses
Duan Lei	Executive Director	A, B, C, D	
Wang Ligang	Executive Director	A, B, C, D	
Wang Peiwu	Executive Director	A, B, C, D	
Long Yi	Non-executive Director	A, B, C	
Li Guanghui	Non-executive Director	A, B, C, D	
Luan Wenjing	Non-executive Director	A, B, C, D	
Chen Jinrong	Independent Non-executive Director	B, C, D	
Choy Sze Chung Jojo	Independent Non-executive Director	A, B, C	
Wei Junhao	Independent Non-executive Director	A, B, C, D	
Shen Shifu	Independent Non-executive Director	A, B, C, D	

INDEPENDENT AUDITOR'S REPORT



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To the shareholders of Zhaojin Mining Industry Company Limited

(A joint stock company established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Zhaojin Mining Industry Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 106 to 248, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and 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 ("HKSA") 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 judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS – *continued*

Key audit matters

How our audit addressed the key audit matter

Impairment of goodwill

The carrying value of goodwill amounting to RMB583,303,000 as at 31 December 2025 has been allocated to the Group's cash-generating units ("CGUs") which are the corresponding subsidiaries acquired. In accordance with HKFRS Accounting Standards, the Group is required to perform an impairment test for goodwill at least on an annual basis. The impairment test is based on the recoverable amounts of the respective CGUs to which the goodwill is allocated. During the year, management performed the impairment test using the value-in-use ("VIU") calculation based on the discounted cash flows. This matter was significant to our audit because the impairment test process was complex and involved significant judgements and estimates.

The Group's disclosures about impairment of goodwill are included in "Business combinations and goodwill" in note 2.4 and "Estimation uncertainty" in note 3, and note 15 to the financial statements, which specifically explain the key assumptions management used for the VIU calculation.

Our audit procedures included, among others, considering the appropriateness of the allocation of goodwill to the CGUs; evaluating the key assumptions and methodologies used by the Group, in particular, the discount rate with the assistance of our valuation specialists; valuating the sensitivity analysis for the key assumptions in the valuation models for risk assessment; comparing forecasts to the historical operating results; comparing the gold and copper price projections with external information in the gold and copper industries; and checking the data of mineral reserves and resources used to the reports issued by the mine geologists.

We also assessed the mine geologists' professional competency, capabilities, and objectivity, and obtained an understanding of the assumptions used in the estimation of mineral reserves and resources.

We also focused on the adequacy of the Group's disclosures of goodwill.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS – *continued*

Key audit matters

How our audit addressed the key audit matter

Impairment of non-current assets

As at 31 December 2025, the Group had property, plant and equipment and other intangible assets amounting to RMB19,298,695,000 and RMB17,058,994,000, respectively.

In accordance with HKFRS Accounting Standards, management is required to perform detailed impairment assessment on intangible assets with an indefinite useful life (exploration rights and assets) annually and other non-current assets when any impairment indicator is identified, and impairment provision is required when the recoverable amount is lower than the corresponding carrying value. During the year, the recoverable amounts estimated through VIU were determined for the Group's individual CGUs to which the assets belong. This matter was significant to our audit because the impairment test process was complex and involved significant judgements and estimates, and the amount was significant.

The Group's disclosures about the impairment of these non-current assets are included in "Property, plant and equipment" and "Intangible assets (other than goodwill)" in note 2.4, "Estimation uncertainty" in note 3, and notes 13 and 16 to the financial statements.

Our audit procedures in assessing the VIU of the Group's individual CGUs to which the assets belong included evaluating the key assumptions and methodologies used by the Group, in particular, the discount rate with the assistance of our valuation specialists; comparing forecasts to the historical operating results; valuating the sensitivity analysis for the key assumptions in the valuation models for risk assessment; comparing the gold and copper price projections with external information resources in the gold and copper industries; and checking the data of mineral reserves and resources used to the reports issued by the mine geologists.

We also assessed the geologists' professional competency, capabilities, and objectivity, and obtained an understanding of the assumptions used in the estimation of mineral reserves and resources.

We also focused on the adequacy of the Group's disclosures of impairment of non-current assets.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than 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 THE DIRECTORS 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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.

INDEPENDENT AUDITOR'S REPORT

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

– *continued*

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism 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 consolidated 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 the Audit Committee 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 the Audit Committee 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.

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

– continued

From the matters communicated with the Audit Committee, 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 Ho Siu Fung Terence (practising certificate number: P04202).

Ernst & Young
Certified Public Accountants
Hong Kong
20 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	18,055,551	11,550,680
Cost of sales		<u>(10,485,262)</u>	<u>(7,028,727)</u>
Gross profit		7,570,289	4,521,953
Other income and gains	5	2,276,018	582,509
Selling and distribution expenses		(62,514)	(48,470)
Administrative expenses		(1,644,260)	(1,473,587)
Impairment losses on financial assets		(66,498)	(19,509)
Other expenses	6	(2,022,326)	(799,600)
Finance costs	7	(502,048)	(544,594)
Share of profits and losses of:			
– Associates		20,565	11,680
– Joint ventures		<u>–</u>	<u>(1,494)</u>
PROFIT BEFORE TAX	8	5,569,226	2,228,888
Income tax expense	10	<u>(1,129,477)</u>	<u>(377,555)</u>
PROFIT FOR THE YEAR		<u>4,439,749</u>	<u>1,851,333</u>
Attributable to:			
Owners of the parent		3,613,992	1,450,799
Non-controlling interests		<u>825,757</u>	<u>400,534</u>
		<u>4,439,749</u>	<u>1,851,333</u>
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE PARENT			
Basic and diluted	12		
– For profit for the year (RMB)		<u>0.96</u>	<u>0.35</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025

	2025 RMB'000	2024 RMB'000
PROFIT FOR THE YEAR	<u>4,439,749</u>	<u>1,851,333</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(27,952)</u>	<u>(21,898)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>(27,952)</u>	<u>(21,898)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement of post-employment benefit obligations	221	1,902
Income tax effect	-	(79)
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	255,858	(96,635)
Income tax effect	<u>524</u>	<u>(6,092)</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>256,603</u>	<u>(100,904)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>228,651</u>	<u>(122,802)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>4,668,400</u>	<u>1,728,531</u>
Attributable to:		
Owners of the parent	3,835,463	1,317,976
Non-controlling interests	<u>832,937</u>	<u>410,555</u>
	<u>4,668,400</u>	<u>1,728,531</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	19,298,695	18,456,366
Investment properties	17	73,606	76,443
Right-of-use assets	14	813,679	792,224
Goodwill	15	583,303	583,303
Other intangible assets	16	17,058,994	16,544,500
Investments in joint ventures	18	–	1,716
Investments in associates	19	342,330	410,453
Financial assets measured at amortised cost	20	573,388	253,418
Equity investments designated at fair value through other comprehensive income	21	177,587	564,344
Deferred tax assets	22	524,718	509,564
Loans receivable	23	238,013	219,516
Long-term deposits	24	7,558	22,186
Term deposits	30	7,457	423,377
Other long-term assets	25	1,165,728	819,585
Total non-current assets		40,865,056	39,676,995
CURRENT ASSETS			
Inventories	26	6,301,868	6,246,351
Trade and notes receivables	27	428,939	175,974
Prepayments, other receivables and other assets	28	1,483,278	1,373,119
Financial assets at fair value through profit or loss	29	2,858,781	1,353,614
Pledged deposits	30	621,218	625,805
Loans receivable	23	1,981,857	1,881,932
Term deposits	30	918,760	204,330
Cash and cash equivalents	30	1,824,913	2,029,825
Total current assets		16,419,614	13,890,950
CURRENT LIABILITIES			
Trade and notes payables	31	916,078	825,718
Other payables and accruals	32	3,228,057	2,714,710
Interest-bearing bank and other borrowings	33	7,601,750	7,573,647
Corporate bonds	34	999,884	1,999,184
Tax payable		403,921	212,291
Provisions	36	1,362	1,607
Deposits from customers	37	987,209	859,746
Current portion of other long-term liabilities	38	259,845	248,254
Total current liabilities		14,398,106	14,435,157
NET CURRENT ASSETS/(LIABILITIES)		2,021,508	(544,207)
TOTAL ASSETS LESS CURRENT LIABILITIES		42,886,564	39,132,788

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	33	4,113,480	5,411,072
Corporate bonds	34	5,997,534	4,996,792
Lease liabilities	14	50,449	58,479
Deferred tax liabilities	22	1,538,327	1,162,730
Deferred income	35	101,665	76,498
Provisions	36	125,643	124,489
Deposits from customers	37	300,000	500,000
Other long-term liabilities	38	1,562,001	1,610,437
Total non-current liabilities		<u>13,789,099</u>	<u>13,940,497</u>
Net assets		<u><u>29,097,465</u></u>	<u><u>25,192,291</u></u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	39	3,542,393	3,402,393
Perpetual capital instruments	40	5,300,643	7,025,278
Reserves	41	15,853,152	10,755,931
		<u>24,696,188</u>	<u>21,183,602</u>
Non-controlling interests		<u>4,401,277</u>	<u>4,008,689</u>
Total equity		<u><u>29,097,465</u></u>	<u><u>25,192,291</u></u>



Jiang Guipeng
Director



Duan Lei
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the parent										Total equity RMB'000
	Share capital RMB'000 (note 39)	Perpetual capital instruments RMB'000 (note 40)	Capital reserve* RMB'000 (note 41)	Special reserve and other reserves* RMB'000	Statutory and distributable reserves* RMB'000 (note 41)	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Exchange fluctuation reserve* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 1 January 2025	3,402,393	7,025,278	3,572,022	119,183	1,592,049	(257,225)	(11,302)	5,741,204	21,183,602	4,008,669	25,192,291
Profit for the year	-	239,407	-	-	-	-	-	3,374,585	3,613,992	825,757	4,439,749
Other comprehensive income for the year:											
Exchange differences related to foreign operations	-	-	-	-	-	-	(35,132)	-	(35,132)	7,180	(27,952)
Remeasurements of post-employment benefit obligations, net of tax	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	221	-	-	-	-	-	221	-	221
	-	-	-	-	-	256,382	-	-	256,382	-	256,382
Total comprehensive (loss)/income for the year	-	239,407	221	-	-	256,382	(35,132)	3,374,585	3,835,463	832,937	4,668,400
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(648,708)	(648,708)
Issue of shares	140,000	-	1,678,286	-	-	-	-	-	1,818,286	-	1,818,286
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	117,191	117,191
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	91,168	91,168
Transfer to reserves	-	-	-	-	164,633	-	-	(164,633)	-	-	-
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	-	(3,147)	-	3,147	-	-	-
Safety production cost	-	-	-	9,674	-	-	-	(9,674)	-	-	-
Distribution of perpetual capital instruments paid	-	(264,042)	-	-	-	-	-	-	(264,042)	-	(264,042)
Redemption of perpetual capital instruments	-	(2,500,000)	-	-	-	-	-	-	(2,500,000)	-	(2,500,000)
Issue of perpetual capital instruments	-	800,000	-	-	-	-	-	-	800,000	-	800,000
Final 2024 dividend declared	-	-	-	-	-	-	-	(177,121)	(177,121)	-	(177,121)
At 31 December 2025	3,542,393	5,300,643	5,250,529	128,857	1,756,682	(3,990)	(46,434)	8,767,508	24,686,188	4,401,277	29,097,465

* These reserve accounts comprise the consolidated reserves of RMB15,853,152,000 (31 December 2024: RMB10,755,931,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the parent							Non-controlling interests RMB'000	Total equity RMB'000		
	Share capital RMB'000 (note 39)	Perpetual capital instruments RMB'000 (note 40)	Capital reserve* RMB'000 (note 41)	Special reserve and other reserves* RMB'000	Statutory and distributable reserves* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000 (note 41)	Exchange fluctuation reserve* RMB'000			Retained profits* RMB'000	Total RMB'000
At 1 January 2024	3,270,393	7,075,529	2,254,704	106,528	1,463,052	(154,498)	20,617	4,815,635	18,861,960	3,382,366	22,244,326
Profit for the year	-	269,469	-	-	-	-	-	1,181,330	1,450,799	400,534	1,851,333
Other comprehensive income for the year:											
Exchange differences related to foreign operations	-	-	-	-	-	-	(31,919)	-	(31,919)	10,021	(21,898)
Remeasurements of post-employment benefit obligations, net of tax	-	-	1,823	-	-	-	-	-	1,823	-	1,823
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	-	(102,727)	-	-	(102,727)	-	(102,727)
Total comprehensive (loss)/income for the year	-	269,469	1,823	-	-	(102,727)	(31,919)	1,181,330	1,317,976	410,555	1,728,531
Dividends paid to non-controlling shareholders	-	-	1,436,145	-	-	-	-	-	1,568,145	(240,295)	(240,295)
Issue of shares	132,000	-	-	-	-	-	-	-	-	-	35,189
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	808,024	808,024
Acquisition of subsidiaries	-	-	(130,650)	-	-	-	-	-	(130,650)	(387,150)	(517,800)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	(128,997)	-	-	-
Transfer to reserves	-	-	-	12,655	128,997	-	-	(12,655)	-	-	-
Safety production cost	-	-	-	-	-	-	-	-	-	-	-
Distribution of perpetual capital instruments paid	-	(318,720)	-	-	-	-	-	-	(318,720)	-	(318,720)
Redemption of perpetual capital instruments	-	(1,000,000)	-	-	-	-	-	-	(1,000,000)	-	(1,000,000)
Issue of perpetual capital instruments	-	999,000	-	-	-	-	-	-	999,000	-	999,000
Forfeited or expired employee awards	-	-	-	-	-	-	-	21,983	21,983	-	21,983
Final 2023 dividend declared	-	-	-	-	-	-	-	(136,092)	(136,092)	-	(136,092)
At 31 December 2024	3,402,393	7,025,278	3,572,022	119,183	1,592,049	(257,225)	(11,302)	5,741,204	21,183,602	4,008,669	25,192,271

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		5,569,226	2,228,888
Adjustments for:			
Finance costs	7	502,048	544,594
Share of profits and losses of associates		(20,565)	(11,680)
Share of profits and losses of joint ventures		–	1,494
Interest income		(66,842)	(98,996)
Dividend income from equity investments designated at fair value through other comprehensive income	5	(11,290)	(27,461)
Net loss on disposal or write-off of items of property, plant and equipment, other intangible assets, right-of-use assets and other-long-term assets	8	1,915	47,387
Gain on disposal of a subsidiary	8	(8,541)	(1,025)
(Gain)/loss on disposal of associates	8	(49,574)	871
Fair value gain, net:			
Equity investments at fair value through profit or loss	8	(1,455,047)	(53,133)
Gain on disposal of financial assets	8	(359,851)	(134,103)
Loss on settlement of commodity derivative contracts	8	278,289	183,440
Depreciation of property, plant and equipment	8	1,137,587	963,379
Depreciation of investment properties	8	2,837	3,191
Amortisation of other intangible assets	8	598,243	341,983
Depreciation of right-of-use assets	8	48,320	40,341
Amortisation of long-term prepaid expenses	8	11,148	5,892
Provision for impairment of receivables	8	56,844	18,056
Impairment loss on loans receivable	8	8,879	1,664
Reversal of impairment of inventories	8	(1,457)	(11,170)
Impairment loss on non-current assets	8	1,596,159	401,844
Decrease in long-term deposits		14,628	18,382
Increase in inventories		(28,206)	(656,759)
(Increase)/decrease in trade and notes receivables		(252,010)	52,334
Increase in prepayments and other receivables		(219,691)	(591,290)
Withdrawal/(placement) of pledged deposits		4,587	(89,037)
(Increase)/decrease in loans receivable		(525,994)	241,434
Increase/(decrease) in trade and notes payables		90,260	(115,547)
Increase/(decrease) in other payables and accruals		374,100	362,889
(Decrease)/increase in deposits from customers		(72,537)	27,929
Increase/(decrease) in deferred income		26,609	(3,693)
Decrease in provisions		(1,527)	(1,820)
Payment to from gold leasing business		–	(569,713)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
CASH GENERATED FROM OPERATIONS		<u>7,248,547</u>	<u>3,120,565</u>
Income taxes paid		<u>(810,269)</u>	<u>(523,400)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES		<u>6,438,278</u>	<u>2,597,165</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		75,883	62,526
Dividend received from a joint venture		8,447	16,028
Purchases of items of property, plant and equipment		(2,719,627)	(1,892,622)
Proceeds from disposal of items of property, plant and equipment		30,744	903
Increase in leasehold land		(60,682)	(10,019)
Increase in other intangible assets		(179,293)	(167,131)
Acquisition of subsidiaries		(459,146)	(3,049,355)
Capital increase of an associate		(88,000)	(132,000)
Retrieved prepayment for equity transaction		60,000	–
Disposal of associates		–	1,800
Loss from commodity derivative contracts		(278,289)	(183,440)
Deposits withdrawn/(paid) for commodity derivative contracts		58,300	(73,095)
Net proceeds from acquisition and disposal of equity investments at fair value through profit or loss		101,956	97,240
Dividend income from equity investments designated at fair value through other comprehensive income		11,290	27,461
Decrease/(increase) in financial assets measured at amortised cost		(321,413)	339,855
Increase in long-term prepaid expenses		(7,805)	(7,066)
Non-current financial investing activities		(150,000)	–
Decrease in loans receivable		37,646	425
Increase in term deposits with original maturity of more than three months		(298,510)	(272,707)
Disposal of equity investments at fair value through other comprehensive income		380,408	–
Increase in loans receivable		<u>(8,365)</u>	<u>(54,832)</u>
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(3,806,456)</u>	<u>(5,296,029)</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		50,154,606	96,119,403
Issuance of corporate bonds, net of issuance expense		2,998,900	1,998,000
Issue of perpetual capital instruments		800,000	999,000
Proceeds from issue of shares		1,818,286	1,568,145
Proceeds from redemption of perpetual capital instruments		(2,500,000)	(1,000,000)
Repayment of corporate bonds		(3,000,000)	(3,000,000)
Repayment of bank and other borrowings		(51,424,095)	(92,902,000)
Capital contribution from non-controlling shareholders		117,191	4,896
Dividends paid		(724,379)	(311,167)
Principal portion of lease payments		(15,915)	(16,264)
Distribution paid for perpetual capital instruments		(264,042)	(318,720)
Acquisition of non-controlling interests		-	(459,049)
Instalment for the purchase of long-term assets		(290,257)	(271,387)
Interest paid		(520,737)	(595,832)
		<u>(2,850,442)</u>	<u>1,815,025</u>
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
		<u>(218,620)</u>	<u>(883,839)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		2,029,825	2,916,103
Effects of foreign exchange rate changes, net		13,708	(2,439)
		<u>1,824,913</u>	<u>2,029,825</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	30	<u>1,824,913</u>	<u>2,029,825</u>
Cash and cash equivalents as stated in the consolidated statement of cash flows	30	<u>1,824,913</u>	<u>2,029,825</u>

1. CORPORATE AND GROUP INFORMATION

The Company was established as a joint stock limited liability company under the Company Law of the People's Republic of China (the "PRC") on 16 April 2004. The registered office of the Company is located at 118 Wenquan Road, Zhaoyuan, Shandong, China.

In December 2006, the Company issued 198.7 million H shares to the public at a price of HKD12.68 per share (equivalent to approximately RMB12.74 per share) and the H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKEX") (the "IPO"). In addition, 19.8 million H shares converted from certain domestic shares were transferred to the National Council for the Social Security Fund. On 7 August 2020, the Company converted 1,560,340,597 domestic shares into H shares and the listing of the converted H shares on the HKEX commenced on 10 August 2020.

During the year, the Company and its subsidiaries were principally engaged in the exploration, mining, processing, smelting of gold, and the sale of gold products, the processing and sale of silver products, the mining and processing of copper and the sale of copper products in the Chinese mainland, South America and West Africa.

As of 31 December 2025, Shandong Zhaojin Group Corporation Limited ("Zhaojin Group") (a state-owned enterprise established in the PRC), and two of its subsidiaries held in total 35.27% of the issued share capital of the Company. Gold Mountains (H.K.) International Mining Company Limited (a wholly-owned subsidiary of Zijin Mining Group Co., Ltd.) held in total 18.20% of the issued share capital of the Company. The remaining issued share capital of the Company was held by shareholders of H shares and Zhaoyuan Guoxin Asset Management Group Co., Ltd.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

1. CORPORATE AND GROUP INFORMATION – *continued*

INFORMATION ABOUT SUBSIDIARIES

Particulars of the Company's principal subsidiaries are as follows:

Company name	Place and date of incorporation/registration and place of operations	Nominal value of issued/registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct %	Indirect %	
Zhaoyuan Jintingling Mining Industry Company Limited ("JTL") (招遠市金亭嶺礦業有限公司)	PRC/Chinese mainland 10 October 2002	RMB545,000,000	100	–	Gold mining and processing of gold products
Minxian Tianhao Gold Company Limited ("MXTH") (岷縣天昊黃金有限責任公司)	PRC/Chinese mainland 5 June 2001	RMB700,000,000	100	–	Gold mining and processing of gold products
Tuoli Zhaojin Beijiing Mining Company Limited ("TZB") (托里縣招金北疆礦業有限公司)	PRC/Chinese mainland 16 April 2004	RMB190,000,000	100	–	Gold mining and processing of gold products
Peyziwat County Tonghui Mining Company Limited ("TCM") (伽師縣銅輝礦業有限責任公司)	PRC/Chinese mainland 5 January 2004	RMB150,000,000	92	–	Copper mining and processing of copper products
Sparky International Company Limited ("SIC") (斯派柯國際有限公司)	Hong Kong 16 May 2007	HKD4,924,688,801	100	–	Investment holding
Subsidiary of SIC:					
Starlet Creation Limited ("Starlet") (星河創建有限公司)	Hong Kong 7 July 2011	HKD1	–	100	Investment holding
Western Gold Mining Company Limited ("Western Gold") (西金礦業有限公司)	Hong Kong 31 January 2023	HKD11,730	–	60	Investment holding
Gold Lion Mining Company Limited ("Gold Lion") (奧德蘭礦業有限公司)	Sierra Leone 1 March 2023	SLL1,000,000	–	60	Gold mining and processing of gold products
Zhaojin Capital (Hong Kong) Limited ("Zhaojin Capital HK") (招金資本(香港)有限公司)	Hong Kong 26 January 2023	HKD10,000	–	100	Investment holding
Tietto Mineral Limited ("Tietto") (鉄拓礦業有限公司)	Australia 05 May 2010	AUD386,589,000	–	100	Investment holding
Fengningjinlong Mining Company Limited ("FNJL") (豐寧金龍黃金工業有限公司)	PRC/Chinese mainland 14 September 2000	RMB94,519,000	52	–	Gold mining and processing of gold products

1. CORPORATE AND GROUP INFORMATION – *continued*INFORMATION ABOUT SUBSIDIARIES – *continued*Particulars of the Company's principal subsidiaries are as follows: – *continued*

Company name	Place and date of incorporation/registration and place of operations	Nominal value of issued/registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct %	Indirect %	
Gansu Hezuo Zaozigou Mining Industry Company Limited ("ZGM") (甘肅省合作早子溝金礦有限責任公司)	PRC/Chinese mainland 30 October 2008	RMB162,000,000	52	–	Gold mining and processing of gold products
Zhaojin Jinhe Technical Company Limited ("Jinhe") (招遠市招金金合科技有限公司)	PRC/Chinese mainland 8 January 2013	RMB205,000,000	100	–	Processing of sulphur ore
Qinghe Jindu Mining Company Limited ("Qinghe Mining") (清河縣金都礦業開發有限公司)	PRC/Chinese mainland 4 August 2005	RMB10,000,000	95	–	Gold mining and processing of gold products
Zhaojin Baiyun Mining Company Limited ("Baiyun Mining") (遼寧招金白雲黃金礦業有限公司)	PRC/Chinese mainland 20 December 1983	RMB30,000,000	55	–	Exploration of gold and sale of gold products
Shandong Ruiyin Mining Industry Development Company Limited ("Ruiyin") (山東瑞銀礦業發展有限公司)	PRC/Chinese mainland 30 August 2006	RMB2,130,239,000	70	–	Investment holding
Subsidiary of Ruiyin:					
Laizhou Ruihai Mining Industry Company Limited ("Ruihai") (萊州市瑞海礦業有限公司)	PRC/Chinese mainland 14 September 2009	RMB1,800,000,000	–	70	Exploration of gold and sale of gold products
Gansu Zhaojin Precious Metal Smelting Company Limited ("Gansu Smelting") (甘肅招金貴金屬冶煉有限公司)	PRC/Chinese mainland 11 December 2012	RMB300,000,000	65	–	Smelting of gold and other precious metals
Ejina Yuantong Mining Industry Company Limited ("Yuantong") (額濟納旗圓通礦業有限責任公司)	PRC/Chinese mainland 12 May 2004	RMB15,000,000	85	–	Gold mining and processing of gold products, and smelting
Beijing Dongfang Yanjing Engineering Technology Company Limited ("Dongfang Yanjin") (北京東方燕京工程技術有限責任公司)	PRC/Chinese mainland 7 September 1994	RMB30,000,000	85	–	Engineering design and development
Shandong Zhaojin Group Financial Company Limited ("Zhaojin Finance") (山東招金集團財務有限公司)	PRC/Chinese mainland 1 July 2015	RMB1,500,000,000	51	–	Financial services

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1. CORPORATE AND GROUP INFORMATION – *continued*

INFORMATION ABOUT SUBSIDIARIES – *continued*

Particulars of the Company's principal subsidiaries are as follows: – *continued*

Company name	Place and date of incorporation/registration and place of operations	Nominal value of issued/registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct %	Indirect %	
Fengning Manchu Fengye Mining Gold mining Company Limited ("FYKY") (豐寧滿族自治縣豐業礦業有限公司)	PRC/Chinese mainland 20 September 2002	RMB90,000,000	100	–	Gold mining and processing of gold products
Shandong Zhaojin Geology Exploration Company Limited ("ZJDK") (山東招金地質勘查有限公司)	PRC/Chinese mainland 29 July 1989	RMB31,000,000	100	–	Land exploration
Zhaoyuan Gold Material Supply Center Company Limited ("WZGY") (招遠市黃金物資供應中心有限公司)	PRC/Chinese mainland 20 September 1992	RMB20,000,000	100	–	Material trading
Shandong Goldsoft Technology Company Limited ("JRKJ") (山東金軟科技股份有限公司)	PRC/Chinese mainland 27 September 2001	RMB30,000,000	100	–	Technical advisory
Hong Kong Zhaojin Mining Company Limited ("HKZJ") (香港招金礦業有限公司)	Hong Kong 29 July 2024	HKD246,422,000	100	–	Investment holding
Shandong Zeqing Enterprise Management Co., Ltd. ("SDZQ") (山東澤慶企業管理有限公司)	PRC/Chinese mainland 28 September 2006	RMB3,000,000	100	–	Investment holding
Yantai Jinzhi Mining Co., Ltd. ("JZKY") (煙臺金智礦業有限公司)	PRC/Chinese mainland 16 August 2006	RMB12,880,000	–	85	Gold mining and processing of gold products

During the year, the Group acquired 100% equity interest in SDZQ from different third parties. Further details of this acquisition are included in notes 42 to the financial statements.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial liabilities at fair value through profit or loss, wealth management products, equity investments and non-current financial assets which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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2.1 BASIS OF PREPARATION – *continued*

Basis of consolidation – continued

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

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

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

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

³ No mandatory effective date yet determined but available for adoption

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

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

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2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS – *continued*

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS – *continued*

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS – *continued*

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- HKAS 7 *Statement of Cash Flows*: The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES – *continued*

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

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2.4 MATERIAL ACCOUNTING POLICIES – *continued*

BUSINESS COMBINATIONS AND GOODWILL – *continued*

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

FAIR VALUE MEASUREMENT

The Group measures its derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

FAIR VALUE MEASUREMENT – *continued*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

NOTES TO FINANCIAL STATEMENTS

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2.4 MATERIAL ACCOUNTING POLICIES – *continued*

IMPAIRMENT OF NON-FINANCIAL ASSETS – *continued*

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

RELATED PARTIES

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depending on the nature of the item of property, plant and equipment, depreciation is calculated on the straight-line basis to write off the cost of each asset to its residual value over its estimated useful life or it is calculated on the Units of Production (“UOP”) basis to write off the cost of the asset proportionately to the extraction of the proven and probable mineral reserves.

The estimated useful lives of property, plant and equipment are as follows:

Buildings	10 to 30 years
Plant and machinery	2 to 20 years
Office equipment	2 to 20 years
Motor vehicles	3 to 20 years
Mining infrastructure	Respective mining lifetime of mines

Property, plant and equipment include mining infrastructure located at the mining sites. Depreciation is provided to write off the cost of the mining infrastructure using the UOP method based on the proven and probable mineral reserves.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION – *continued*

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

INVESTMENT PROPERTIES

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, the Group chooses the cost model to measure all of its investment property.

Depreciation is calculated on the straight-line basis to depreciate the cost of each item of investment properties over the estimated useful life of 30 years.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

INTANGIBLE ASSETS (OTHER THAN GOODWILL) – *continued*

Exploration rights and assets

Exploration rights and assets are stated at cost less impairment losses. Exploration rights and assets include the cost of acquiring exploration rights, topographical and geological surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies, and amortisation and depreciation charges in respect of assets consumed during the exploration activities.

Exploration and evaluation costs include expenditure incurred to secure further mineralisation in existing ore bodies as well as in new areas of interest. Expenditure incurred prior to acquiring legal rights to explore an area is written off as incurred.

When it can be reasonably ascertained that an exploration property is capable of commercial production, exploration and evaluation costs capitalised are transferred to either mining infrastructure or mining rights and reserves and depreciated/amortised by the UOP method based on the proven and probable mineral reserves. Costs incurred for exploration which can be directly attributable to the development of mining infrastructure are transferred to mining infrastructure when the exploration reaches the stage of commercial production. All other costs will be transferred to mining rights and reserves. Exploration rights and assets are written off to profit or loss if the exploration property is abandoned.

Mining rights and reserves

Mining rights and reserves are stated at cost less accumulated amortisation and any impairment losses. Mining rights and reserves include the cost of acquiring mining licences and exploration and evaluation costs transferred from exploration rights and assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights and reserves are amortised over the estimated useful lives of the mines, in accordance with the production plans of the entities concerned and the proven and probable mineral reserves of the mines using the UOP method. Mining rights and reserves are written off to profit or loss if the mining property is abandoned.

LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

LEASES – *continued*

Group as a lessee – *continued*

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	2 to 46 years
Office	2 to 10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

LEASES – *continued*

Group as a lessee – *continued*

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of office (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as an operating lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in other income and gain in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

INVESTMENTS AND OTHER FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

INVESTMENTS AND OTHER FINANCIAL ASSETS – *continued*

Initial recognition and measurement – *continued*

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

INVESTMENTS AND OTHER FINANCIAL ASSETS – *continued*

Subsequent measurement – *continued*

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

IMPAIRMENT OF FINANCIAL ASSETS – *continued*

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

IMPAIRMENT OF FINANCIAL ASSETS – *continued*

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as financial liabilities designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and notes payables, financial liabilities at fair value through profit or loss, financial liabilities included in other payables and accruals, corporate bonds, deposits from customers, other long-term liabilities and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Initial recognition and subsequent measurement

The Group uses financial instruments at fair value through profit or loss, such as gold leasing and futures. Such financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of financial instruments are taken directly to the statement of profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- (a) fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- (b) cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- (c) hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING – *continued*

Initial recognition and subsequent measurement – *continued*

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- (a) There is “an economic relationship” between the hedged item and the hedging instrument.
- (b) The effect of credit risk does not “dominate the value changes” that result from that economic relationship.
- (c) The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in the statement of profit or loss as other expenses.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through the statement of profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the statement of profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit or loss. The changes in the fair value of the hedging instrument are also recognised in the statement of profit or loss.

The Group’s methodology for assessing the effectiveness of hedging, risk management strategy and approach to apply the strategy to manage risks are described in note 26.

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Provisions for the Group's obligations for land reclamation are based on estimates of required expenditure at the mines in accordance with the PRC rules and regulations. The Group estimates its liabilities for final reclamation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The Group records a corresponding asset in the period in which the liability is incurred. The asset is depreciated using the UOP method over its expected life and the liability is accreted to the projected expenditure date. As changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in the timing of the performance of reclamation activities), the revisions to the obligation and the asset are recognised at the appropriate discount rate.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

INCOME TAX – *continued*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right exists to set off current tax assets and current tax liabilities and the deferred taxes assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

REVENUE RECOGNITION

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sale of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Rendering of processing services

The income of processing services is recognised at the point in time when the control of the processed gold concentrates is transferred to the customer, generally on delivering of products by the Group in accordance with the entrusting party's requirements.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

REVENUE RECOGNITION – *continued*

Revenue from other sources

Service income is recognised on a percentage of completion basis over the service period, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

CONTRACT LIABILITIES

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

OTHER EMPLOYEE BENEFITS

Pension obligations

The Group contributes on a monthly basis to various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC. The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred.

For each of the two financial years ended 31 December 2024 and 2025, there was no forfeited contribution under the Mandatory Provident Fund retirement benefit scheme and the other defined contribution retirement benefit plans of the Group which may be used by the Group to reduce the contribution payable in the future years.

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

OTHER EMPLOYEE BENEFITS – *continued*

Post-employment benefits

Post-employment benefits are employee benefits that are payable after the completion of employment. The Group recognises the liability for post-employment benefits in the statement of financial position in respect of early retirement plans at the present value of the post-employment benefit obligation at the end of the reporting period. The early retirement benefit obligation is calculated annually by independent actuaries using the projected unit cost method. The present value of the post-employment benefit obligation is determined by discounting the estimated future cash outflows using interest rate of the RMB denominated (the currency in which the benefits will be paid) PRC government bonds that have terms to maturity similar to the terms of the related pension obligation. The net interest cost is calculated by applying the discount rate to the net balance of the post-employment benefit obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Medical benefit costs

The Group participates in government-organised defined contribution medical benefit plans, under which it pays contributions to the plans at a fixed percentage of wages and salaries of the existing full-time employees in the Chinese mainland and has no further legal or constructive obligations to pay additional contributions. Contributions to medical benefit costs administrated by a government agency are charged to the consolidated statement of profit or loss or assets in the consolidated statement of financial position as and when they are incurred.

Housing fund

The Group contributes on a monthly basis to defined contribution housing fund plans organised by the PRC government. Contributions to housing fund administrated by a government agency are charged to the consolidated statement of profit or loss or assets in the consolidated statement of financial position as and when they are incurred.

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2.4 MATERIAL ACCOUNTING POLICIES – *continued*

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate ranging between 2.71% and 4.75% per annum has been applied to the expenditure on the individual assets.

EVENTS AFTER THE REPORTING PERIOD

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

DIVIDENDS

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

FOREIGN CURRENCIES

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES – *continued*

FOREIGN CURRENCIES – *continued*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

PERPETUAL CAPITAL INSTRUMENTS

If the perpetual capital instruments are non-redeemable (or only be redeemable by the issuer's choice) and any interest distributed is discretionary, then the instruments are classified as equity. Distribution of interest from perpetual instruments in the equity is recognised as distribution of equity.

NOTES TO FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – *continued*

JUDGEMENTS – *continued*

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB1,546,721,000 (2024: RMB1,024,143,000) carried forward for certain subsidiaries. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB302,237,000. Further details on deferred taxes are disclosed in note 22 to the financial statements.

ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on financial assets measured at amortised cost

The Group uses a provision matrix to calculate ECLs for trade receivables, financial assets included in deposits, other receivables, and loans receivable. The provision rates are based on ageing, business nature of receivables, industries, and financial status of the debtors.

The Group adopted simplified approach for trade receivables, and general approach for financial assets included in deposits, other receivables, and loans receivable to calculate ECLs.

Simplified approach

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., Gross Domestic Product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – *continued*

ESTIMATION UNCERTAINTY – *continued*

Provision for expected credit losses on financial assets measured at amortised cost – *continued*

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's loans receivable, trade receivables and financial assets included in prepayments, deposits and other receivables is respectively disclosed in notes 23, 27 and 28 to the financial statements.

Fair value of unlisted investments

The unlisted investments have been valued based on an income-based valuation technique as detailed in note 47 to the financial statements. The Group classifies the fair value of these investments as Level 2. The fair value of the unlisted investments at 31 December 2025 was RMB428,036,000 (2024: RMB277,063,000). The valuation is based on the purchase prices of these products as at their issue dates and their expected yields. Further details are included in note 29 to the financial statements.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the VIU of the cash-generating units to which the goodwill is allocated. Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was RMB583,303,000 (2024: RMB583,303,000). Further details are given in note 15.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – *continued*

ESTIMATION UNCERTAINTY – *continued*

Impairment of property, plant and equipment and other intangible assets

The carrying values of intangible assets with indefinite useful life (exploration rights and assets) are reviewed for impairment annually. The carrying values of other related non-current assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable in accordance with the accounting policy as disclosed in note 2.4 to the financial statements. The recoverable amount of these assets, or where appropriate, the cash-generating unit to which they belong, is the higher of their fair value less costs to sell and VIU. Estimating the VIU requires the Group to estimate the expected future cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. The aggregate carrying value of property, plant and equipment and other intangible assets at 31 December 2025 was RMB36,357,689,000 (2024: RMB35,000,866,000).

Mine reserves

Engineering estimates of the Group's mine reserves are inherently imprecise and represent only approximate amounts because of the significant judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mine reserves can be designated as "proved" and "probable". Proved and probable mine reserve estimates are updated at regular intervals, taking into account recent production and technical information about each mine. This change is considered a change in estimates for accounting purposes and is reflected on a prospective basis in the amortisation rate calculated using the UOP method. Changes in the estimate of mine reserves are also taken into account in impairment assessments of non-current assets.

Fair value of long-term financial assets

The long-term financial assets have been valued based on discounted cash flow method (specifically Dividend Discount Model) as detailed in note 47 to the financial statements, where an estimate of the expected future cash flows is needed to make and also a suitable discount rate is needed to choose by the Group in order to calculate the present value of those cash flows. The Group classifies the fair value of these investments as Level 3. The fair value of the long-term financial assets at 31 December 2025 was RMB650,072,000 (2024: RMB187,489,000). Further details are included in note 25 to the financial statements.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

NOTES TO FINANCIAL STATEMENTS

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4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the gold operations segment consists of gold mining and smelting operations;
- (b) the copper operations segment consists of copper mining and smelting operations;
- (c) the “others” segment comprises, principally, the Group’s other investment activities, operation of a finance company, operation and catering services of a hotel, exploration services, engineering design and consulting services and overseas operations.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group’s profit before tax except interest income and finance costs.

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

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

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. OPERATING SEGMENT INFORMATION – *continued*

The Group's operation by business segment is as follows:

Year ended 31 December 2025

	Gold operations RMB'000	Copper operations RMB'000	Others RMB'000	Total RMB'000
Segment revenue (<i>note 5</i>)				
Total segment revenue	<u>15,772,501</u>	<u>573,672</u>	<u>1,709,378</u>	<u>18,055,551</u>
Segment results	5,889,480	(1,513,801)	1,554,525	5,930,204
<i>Reconciliation:</i>				
Interest income				141,070
Finance costs				<u>(502,048)</u>
Profit before tax				<u>5,569,226</u>
Segment assets	44,455,236	1,053,601	7,878,767	53,387,604
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>3,897,066</u>
Total assets				<u>57,284,670</u>
Segment liabilities	(5,068,400)	(393,707)	(2,474,123)	(7,936,230)
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>(20,250,975)</u>
Total liabilities				<u>(28,187,205)</u>
Other segment information				
Capital expenditure *	4,680,228	47,011	64,826	4,792,065
Investments in associates	342,330	–	–	342,330
Investment in joint ventures	–	–	–	–
Provision for inventories	(1,457)	–	–	(1,457)
Impairment losses on financial assets	48,194	(1,043)	19,347	66,498
Impairment losses on long-term assets	83,024	1,511,419	1,716	1,596,159
Share of gain of:				
– Associates	20,565	–	–	20,565
– Joint ventures	–	–	–	–
Depreciation and amortisation	1,639,044	57,729	101,362	1,798,135
Fair value gain on financial assets at fair value through profit or loss	<u>221,555</u>	<u>–</u>	<u>1,233,492</u>	<u>1,455,047</u>

* Capital expenditure consists of additions to property, plant and equipment, goodwill, other intangible assets and right-of-use assets, including assets from the acquisition of subsidiaries.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

4. OPERATING SEGMENT INFORMATION – *continued*

The Group's operation by business segment is as follows: – *continued*

Year ended 31 December 2024

	Gold operations RMB'000	Copper operations RMB'000	Others RMB'000	Total RMB'000
Segment revenue (<i>note 5</i>)				
Total segment revenue	<u>10,718,693</u>	<u>376,360</u>	<u>455,627</u>	<u>11,550,680</u>
Segment results	2,582,314	(33,673)	24,103	2,572,744
<i>Reconciliation:</i>				
Interest income				200,738
Finance costs				<u>(544,594)</u>
Profit before tax				<u>2,228,888</u>
Segment assets	41,746,748	2,611,646	5,416,650	49,775,044
<i>Reconciliation:</i>				
Corporate and other unallocated assets				<u>3,792,901</u>
Total assets				<u>53,567,945</u>
Segment liabilities	(4,612,555)	(713,212)	(1,906,462)	(7,232,229)
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				<u>(21,143,425)</u>
Total liabilities				<u>(28,375,654)</u>
Other segment information				
Capital expenditure *	7,687,497	58,922	42,221	7,788,640
Investments in associates	410,453	–	–	410,453
Investment in joint ventures	–	–	1,716	1,716
Provision for inventories	(15,673)	5,226	(723)	(11,170)
Impairment losses on financial assets	21,243	1,773	(3,507)	19,509
Impairment losses on long-term assets	401,844	–	–	401,844
Share of gain/(loss) of:				
- Associates	11,680	–	–	11,680
- Joint ventures	–	–	(1,494)	(1,494)
Depreciation and amortisation	1,210,333	55,365	89,088	1,354,786
Fair value gain/(loss) on financial assets at fair value through profit or loss	<u>(35,651)</u>	<u>–</u>	<u>88,784</u>	<u>53,133</u>

* Capital expenditure consists of additions to property, plant and equipment, goodwill, other intangible assets and right-of-use assets, including assets from the acquisition of subsidiaries.

4. OPERATING SEGMENT INFORMATION – *continued*

GEOGRAPHICAL INFORMATION

(a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
Chinese mainland	15,571,314	10,161,998
Overseas	<u>2,484,237</u>	<u>1,388,682</u>
Total revenue	<u><u>18,055,551</u></u>	<u><u>11,550,680</u></u>

The revenue information of continuing operations above is based on the locations of the customers.

(b) Non-current assets

	2025 RMB'000	2024 RMB'000
Chinese mainland	34,874,157	33,348,540
Overseas	<u>5,458,724</u>	<u>5,395,514</u>
Total non-current assets	<u><u>40,332,881</u></u>	<u><u>38,744,054</u></u>

The non-current asset information of continuing operations above is based on the locations of the assets and excludes deferred tax assets and term deposits.

INFORMATION ABOUT A MAJOR CUSTOMER

Revenue of approximately RMB8,905,665,000 (49% of the total sales) (2024: RMB7,304,473,000, 63% of the total sales) was derived from sales by the gold operations segment to a single customer. In addition, the revenue from the largest five customers accounted for 76% of the total sales (2024: 83% of the total sales).

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	18,580,189	11,887,713
Less: Government surcharges	<u>(524,638)</u>	<u>(337,033)</u>
Total	<u><u>18,055,551</u></u>	<u><u>11,550,680</u></u>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

5. REVENUE, OTHER INCOME AND GAINS – *continued*

REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregated revenue information

For the year ended 31 December 2025

Segments	Gold RMB'000	Copper RMB'000	Others RMB'000	Total RMB'000
<i>Types of goods or services</i>				
Sale of gold	15,884,265	16,546	1,222,821	17,123,632
Sale of copper	8,995	502,309	53,718	565,022
Sale of silver	109,458	29,551	17,625	156,634
Sale of sulphur	16,558	12,113	106,483	135,154
Sale of other by-products	260,949	–	181,756	442,705
Rendering of processing services	7,989	18,243	–	26,232
Others	–	–	130,810	130,810
Less: Government surcharges	(515,713)	(5,090)	(3,835)	(524,638)
Total	<u>15,772,501</u>	<u>573,672</u>	<u>1,709,378</u>	<u>18,055,551</u>
<i>Geographical markets</i>				
Chinese mainland	13,796,371	578,762	1,713,213	16,088,346
Overseas	2,491,843	–	–	2,491,843
Less: Government surcharges	(515,713)	(5,090)	(3,835)	(524,638)
Total	<u>15,772,501</u>	<u>573,672</u>	<u>1,709,378</u>	<u>18,055,551</u>
<i>Timing of revenue recognition</i>				
Revenue recognised at a point in time	16,288,214	578,762	1,622,321	18,489,297
Revenue recognised over time	–	–	90,892	90,892
Less: Government surcharges	(515,713)	(5,090)	(3,835)	(524,638)
Total	<u>15,772,501</u>	<u>573,672</u>	<u>1,709,378</u>	<u>18,055,551</u>

5. REVENUE, OTHER INCOME AND GAINS – *continued*REVENUE FROM CONTRACTS WITH CUSTOMERS – *continued*(a) Disaggregated revenue information – *continued*

For the year ended 31 December 2024

Segments	Gold RMB'000	Copper RMB'000	Others RMB'000	Total RMB'000
<i>Types of goods or services</i>				
Sale of gold	10,714,459	14,445	118,839	10,847,743
Sale of copper	3,552	326,765	–	330,317
Sale of silver	100,107	20,098	–	120,205
Sale of sulphur	5,710	7,550	42,226	55,486
Sale of other by-products	217,596	–	194,189	411,785
Rendering of processing services	8,227	10,323	–	18,550
Others	–	–	103,627	103,627
Less: Government surcharges	(330,958)	(2,821)	(3,254)	(337,033)
Total	<u>10,718,693</u>	<u>376,360</u>	<u>455,627</u>	<u>11,550,680</u>
<i>Geographical markets</i>				
Chinese mainland	9,660,760	379,181	458,881	10,498,822
Overseas	1,388,891	–	–	1,388,891
Less: Government surcharges	(330,958)	(2,821)	(3,254)	(337,033)
Total	<u>10,718,693</u>	<u>376,360</u>	<u>455,627</u>	<u>11,550,680</u>
<i>Timing of revenue recognition</i>				
Revenue recognised at a point in time	11,049,651	379,181	397,767	11,826,599
Revenue recognised over time	–	–	61,114	61,114
Less: Government surcharges	(330,958)	(2,821)	(3,254)	(337,033)
Total	<u>10,718,693</u>	<u>376,360</u>	<u>455,627</u>	<u>11,550,680</u>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

5. REVENUE, OTHER INCOME AND GAINS – continued

REVENUE FROM CONTRACTS WITH CUSTOMERS – continued

(a) Disaggregated revenue information – continued

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2025

Segments	Gold operations RMB'000	Copper operations RMB'000	Others RMB'000	Total RMB'000
Revenue from external customers	<u>15,772,501</u>	<u>573,672</u>	<u>1,709,378</u>	<u>18,055,551</u>

For the year ended 31 December 2024

Segments	Gold operations RMB'000	Copper operations RMB'000	Others RMB'000	Total RMB'000
Revenue from external customers	<u>10,718,693</u>	<u>376,360</u>	<u>455,627</u>	<u>11,550,680</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	576,415	203,037
Others	<u>38,087</u>	<u>6,603</u>
Total	<u>614,502</u>	<u>209,640</u>

There was no revenue recognised from performance obligations satisfied in previous periods.

5. REVENUE, OTHER INCOME AND GAINS – continued**REVENUE FROM CONTRACTS WITH CUSTOMERS – continued****(b) Performance obligations**

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

Sale of goods

The performance obligation is satisfied upon delivery of the products. Payment is generally due upon delivery of the products, and a proportional payment in advance is required in some cases.

Processing services

The performance obligation is satisfied upon completion of the service. Payment is generally due upon services are rendered, and a proportional payment in advance is required in some cases.

Other services

The performance obligation is satisfied over time as services are rendered and a proportional payment in advance is normally required. Payment is generally due upon completion of processing services.

As at 31 December 2025, the remaining performance obligations (unsatisfied or partially unsatisfied) were expected to be recognised within one year. The performance obligation is part of a contract that has an original expected duration of one year or less, as permitted under the paragraph 121 of HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed. And an estimate of the transaction price would not include any estimated amounts of variable consideration that are constrained.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

5. REVENUE, OTHER INCOME AND GAINS – *continued*

REVENUE FROM CONTRACTS WITH CUSTOMERS – *continued*

(b) Performance obligations – *continued*

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Other income and gains			
Interest income		141,070	200,738
Dividend income from equity investments designated at fair value through other comprehensive income		11,290	27,461
Government grants		36,641	34,900
Sales of auxiliary materials		108,261	90,028
Gross rental income from investment properties		8,398	6,824
Gain on disposal of financial assets		359,851	134,103
Exchange gain		80,061	–
Gain on disposal of a subsidiary	<i>8</i>	8,541	1,025
Gain on disposal of an associate	<i>8</i>	49,574	–
Fair value gains on financial assets at fair value through profit or loss		1,455,047	53,133
Reversal of provision for impairment of inventories		1,457	11,170
Others		15,827	23,127
		<u>2,276,018</u>	<u>582,509</u>
Total other income and gains		<u>2,276,018</u>	<u>582,509</u>

6. OTHER EXPENSES

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Impairment of right-of-use assets		–	6,950
Impairment of other intangible assets	16	490,492	–
Impairment of property, plant and equipment	13	422,229	344,984
Impairment of construction in progress	13	681,722	49,910
Impairment loss on investments in a joint venture		1,716	–
Cost of auxiliary materials		64,234	67,481
Other business expense		27,091	36,075
Exchange loss, net		–	2,644
Loss on disposal or write-off of items of property, plant and equipment, other intangible assets, right-of-use assets and other long-term assets	13	1,915	47,387
Loss on disposal of associates		–	871
Loss on settlement of commodity derivative contracts		278,289	183,440
Others		54,638	59,858
Total		<u>2,022,326</u>	<u>799,600</u>

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank and other borrowings	239,890	261,397
Interest on corporate bonds	185,287	229,416
Interest on gold leasing business	26,949	63,464
Interest on short-term bonds	75,888	17,741
Interest on lease liabilities	3,938	3,968
Less: Interest capitalised	(129,270)	(128,880)
	<u>402,682</u>	<u>447,106</u>
Amortization of unrecognised financing expenses of mining rights	95,914	95,795
Unwinding of discount on provisions and other long-term liabilities	3,452	1,693
Total	<u>502,048</u>	<u>544,594</u>

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8. PROFIT BEFORE TAX

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

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Cost of inventories sold and services provided		10,485,262	7,028,727
Staff costs (including Directors' remuneration):			
Wages and salaries		1,030,025	923,627
Defined contribution plans:			
Retirement costs		212,623	196,568
Other staff benefits		172,082	146,305
Total staff costs		<u>1,414,730</u>	<u>1,266,500</u>
Auditor's remuneration		4,160	4,160
Depreciation of right-of-use assets	14(a)	48,320	40,341
Amortisation of other intangible assets	16	598,243	341,983
Depreciation of property, plant and equipment	13	1,137,587	963,379
Depreciation of investment properties	17	2,837	3,191
Amortisation of long-term prepaid expense		11,148	5,892
Loss on disposal or write-off of items of property, plant and equipment, other intangible assets, right-of-use assets and other long-term assets		1,915	47,387
Provision for impairment of receivables	27,28	56,844	18,056
Impairment loss on investments in a joint venture		1,716	–
Impairment loss on property, plant and equipment	13	422,229	344,984
Impairment loss on other intangible assets	16	490,492	–
Impairment loss on construction in progress	13	681,722	49,910
Reversal of impairment of inventories	26	(1,457)	(11,170)
Impairment loss on loans receivable	23	8,879	1,664
Impairment loss on right-of-use assets	14(a)	–	6,950
Fair value (profit)/loss, net:			
financial assets at fair value through profit or loss		(1,455,047)	(53,133)
Dividend income from equity investments designated at fair value through other comprehensive income	21	(11,290)	(27,461)
Loss on settlement of commodity derivative contracts		278,289	183,440
Foreign exchange differences, net		(80,061)	2,644
Gain on disposal of financial assets		(359,851)	(134,103)
Gain on disposal of a subsidiary		(8,541)	(1,025)
Loss/(gain) on disposal of associates		<u>(49,574)</u>	<u>871</u>

9. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees:		
Non-executive directors	-	-
Independent non-executive directors	640	640
Supervisors	-	-
Subtotal	<u>640</u>	<u>640</u>
Salaries, allowances and benefits in kind	1,982	2,077
Performance related bonuses	1,288	1,509
Pension scheme contributions	<u>213</u>	<u>291</u>
	<u>3,483</u>	<u>3,877</u>
Total	<u><u>4,123</u></u>	<u><u>4,517</u></u>

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9. DIRECTORS' AND SUPERVISORS' REMUNERATION – *continued*

(a) (I) EXECUTIVE DIRECTORS, NON-EXECUTIVE DIRECTORS (EXCLUDING INDEPENDENT NON-EXECUTIVE DIRECTORS) AND SUPERVISORS

For the year ended 31 December 2025

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance Related bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:					
Jiang Gui Peng	-	538	378	71	987
Duan Lei	-	500	351	71	922
Wang Li Gang	-	472	347	71	890
Wang Pei Wu	-	472	212	-	684
Total	-	1,982	1,288	213	3,483
Non-executive directors:					
Long Yi	-	-	-	-	-
Luan Wen Jing	-	-	-	-	-
Li Guang Hui	-	-	-	-	-
Total	-	-	-	-	-
Total	-	1,982	1,288	213	3,483

9. DIRECTORS' AND SUPERVISORS' REMUNERATION – *continued*(a) (i) EXECUTIVE DIRECTORS, NON-EXECUTIVE DIRECTORS (EXCLUDING INDEPENDENT NON-EXECUTIVE DIRECTORS) AND SUPERVISORS – *continued*

For the year ended 31 December 2024

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance Related bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:					
Chen Lu Nan (resigned on 25 October 2024)	-	432	373	-	805
Jiang Gui Peng	-	612	378	97	1,087
Duan Lei	-	507	377	97	981
Wang Li Gang	-	479	374	97	950
Wang Pei Wu (appointed on 25 October 2024)	-	47	7	-	54
Total	-	2,077	1,509	291	3,877
Non-executive directors:					
Long Yi	-	-	-	-	-
Luan Wen Jing	-	-	-	-	-
Li Guang Hui	-	-	-	-	-
Total	-	-	-	-	-
Total	-	2,077	1,509	291	3,877

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

9. DIRECTORS' AND SUPERVISORS' REMUNERATION – *continued*

(a) (II) INDEPENDENT NON-EXECUTIVE DIRECTORS

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Cai Si Cong	160	160
Chen Jin Rong	160	160
Shen Shi Fu	160	160
Wei Jun Hao	160	160
Total	<u>640</u>	<u>640</u>

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

There was no arrangement under which a director or supervisor waived or agreed to waive any remuneration during the year.

(b) FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year fell into the following categories:

	Number of employees	
	2025	2024
Directors	3	3
Non-director and non-supervisor employees	2	2
Total	<u>5</u>	<u>5</u>

Details of directors' remuneration are set out in note 9(a) to the financial statements.

9. DIRECTORS' AND SUPERVISORS' REMUNERATION – *continued*(b) FIVE HIGHEST PAID EMPLOYEES – *continued*

Details of the remuneration for the year of the non-director and non-supervisor highest paid employees are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	945	3,044
Performance related bonuses	665	17,703
Pension scheme contributions	123	97
Total	<u>1,733</u>	<u>20,844</u>

The number of non-director and non-supervisor highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
Nil to HKD1,000,000 (Nil to RMB903,220)	2	–
HKD1,000,001 to HKD2,000,000 (RMB903,221 to RMB1,806,440)	–	1
Over HKD2,000,000 (Over RMB1,806,440)	–	1
Total	<u>2</u>	<u>2</u>

NOTES TO FINANCIAL STATEMENTS

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10. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Provision for current income tax in the Chinese mainland is based on the statutory rate of 25% (2024: 25%) of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008, except for certain high and new technology enterprises and western-region-development enterprises of the Group in the Chinese mainland, which are taxed at a preferential rate of 15%. Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for certain subsidiaries of the Group which are qualifying entities under the two-tiered profits tax rates regime. The first HKD2,000,000 (2024: HKD2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). Taxes on assessable profits of overseas subsidiaries have been provided at the rates prevailing in the jurisdictions in which the Group operates, mainly 25% for 2025 (2024: 25%), except for a subsidiary located in Sierra Leon, which applied a tax rate of 30% for 2025 (2024: 30%).

The major components of income tax expense for the year are as follows:

	2025 RMB'000	2024 RMB'000
Current – Hong Kong profits tax and overseas income taxes		
– Charge for the year	230,441	61,507
Current – Chinese mainland		
– income taxes	771,371	497,281
Deferred (<i>note 22</i>)	127,665	(181,233)
Total tax charge for the year	<u>1,129,477</u>	<u>377,555</u>

10. INCOME TAX EXPENSE – *continued*

A reconciliation of the income tax expense applicable to profit before tax at the statutory income tax rates in the Chinese mainland and Hong Kong to the income tax expense at the Group's effective income tax rate for the year is as follows:

2025

	Hong Kong and overseas RMB'000	%	Chinese mainland RMB'000	%	Total RMB'000	%
Profit before tax from continuing operations	<u>1,942,736</u>		<u>3,626,490</u>		<u>5,569,226</u>	
Tax at the statutory tax rate	485,684	25.0	906,623	25.0	1,392,307	25.0
<i>Reconciling items:</i>						
Different tax rates for specific provinces or enacted by local authority	(95,673)	(4.9)	(353,902)	(9.8)	(449,575)	(8.1)
Expenses not deductible for tax	3,941	0.2	14,662	0.4	18,603	0.3
Adjustment in respect of current tax of previous periods	–	–	12,516	0.3	12,516	0.2
Tax losses and temporary differences not recognised	24,318	1.2	277,919	7.8	302,237	5.5
Tax losses utilised from previous periods	(1,944)	(0.1)	(20,773)	(0.6)	(22,717)	(0.4)
Income not subject to tax	(114,701)	(5.9)	(3,319)	(0.1)	(118,020)	(2.1)
Research and development costs	–	–	(40,965)	(1.1)	(40,965)	(0.7)
Effect on opening deferred tax of increase in rates	–	–	(10,274)	(0.3)	(10,274)	(0.2)
Profits and losses attributable to joint ventures and associates	–	–	(3,085)	(0.1)	(3,085)	(0.1)
Withholding tax on profit repatriations	–	–	48,450	1.3	48,450	0.9
Tax charge at the Group's effective rate	<u>301,625</u>	<u>15.5</u>	<u>827,852</u>	<u>22.8</u>	<u>1,129,477</u>	<u>20.3</u>
Tax charge from continuing operations at the effective rate	<u>301,625</u>	<u>15.5</u>	<u>827,852</u>	<u>22.8</u>	<u>1,129,477</u>	<u>20.3</u>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

10. INCOME TAX EXPENSE – *continued*

A reconciliation of the income tax expense applicable to profit before tax at the statutory income tax rates in the Chinese mainland and Hong Kong to the income tax expense at the Group's effective income tax rate for the year is as follows: – *continued*

2024

	Hong Kong and overseas		Chinese mainland		Total	
	RMB'000	%	RMB'000	%	RMB'000	%
Profit before tax from continuing operations	<u>163,382</u>		<u>2,065,506</u>		<u>2,228,888</u>	
Tax at the statutory tax rate	40,846	25.0	516,376	25.0	557,222	25.0
<i>Reconciling items:</i>						
Different tax rates for specific provinces or enacted by local authority	(3,001)	(1.8)	(244,048)	(11.8)	(247,049)	(11.1)
Expenses not deductible for tax	15,820	9.7	21,519	1.0	37,339	1.7
Adjustment in respect of current tax of previous periods	–	–	4,448	0.2	4,448	0.2
Tax losses and temporary differences not recognised	29,630	18.1	147,949	7.2	177,579	8.0
Tax losses utilised from previous periods	(64,592)	(39.5)	(9,391)	(0.5)	(73,983)	(3.3)
Income not subject to tax	(35,892)	(22.0)	(1,405)	–	(37,297)	(1.7)
Research and development costs	–	–	(39,166)	(1.9)	(39,166)	(1.8)
Profits and losses attributable to joint ventures and associates	<u>2,358</u>	<u>1.4</u>	<u>(3,896)</u>	<u>(0.2)</u>	<u>(1,538)</u>	<u>(0.1)</u>
Tax charge at the Group's effective rate	<u>(14,831)</u>	<u>(9.1)</u>	<u>392,386</u>	<u>19.0</u>	<u>377,555</u>	<u>16.9</u>
Tax charge from continuing operations at the effective rate	<u>(14,831)</u>	<u>(9.1)</u>	<u>392,386</u>	<u>19.0</u>	<u>377,555</u>	<u>16.9</u>

10. INCOME TAX EXPENSE – continued

The share of tax attributable to associates and joint ventures amounting to RMB3,085,000 (2024: RMB1,538,000), is included in “Share of profits and losses of joint ventures and associates” in the consolidated statement of profit or loss.

PILLAR TWO INCOME TAXES

The Group is within the scope of the Pillar Two model rules. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income tax. From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in Hong Kong and certain other jurisdictions where a domestic minimum top-up tax has not been implemented. The Group will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at 31 December 2025 in certain jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year and prior years 2024 and 2023. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group’s effective tax rates in all jurisdictions in which it operates are above 15% and the directors of the Company are not currently aware of any circumstances under which they might change. Therefore, the Group does not expect potential exposure to Pillar Two “top-up” taxes. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

11. DIVIDEND

	2025 RMB'000	2024 RMB'000
Ordinary:		
Proposed final dividend – RMB0.1 per share (2024: RMB0.05 per share)	<u>354,239</u>	<u>170,120</u>

The board of directors recommended a final dividend of RMB0.1 per share (tax included) to the shareholders of the Company for the year ended 31 December 2025 (2024: RMB0.05 per share (tax included)), which would be subject to the approval of the Company’s shareholders at the forthcoming annual general meeting.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,510,558,000 (2024: 3,361,639,000) outstanding during the year, as adjusted to reflect the rights issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

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13. PROPERTY, PLANT AND EQUIPMENT

31 December 2025

	Buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Mining infrastructure RMB'000	Construction in progress ("CIP") RMB'000	Total RMB'000
Cost:							
At 1 January 2025	7,353,085	4,244,495	551,745	378,695	12,911,858	4,739,609	30,179,487
Additions	209,252	144,312	31,917	34,393	207,490	2,294,760	2,922,124
Transferred from CIP	327,738	132,726	2,098	794	866,477	(1,329,833)	-
Acquisition of a subsidiary	13,455	14,296	160	20	-	182,194	210,125
Exchange realignment	18,687	11,517	41	663	91,801	10,808	133,517
Transferred to other intangible assets	-	-	-	-	-	(129,696)	(129,696)
Disposals	(5,112)	(44,554)	(4,371)	(14,116)	-	(25,216)	(93,369)
At 31 December 2025	<u>7,917,105</u>	<u>4,502,792</u>	<u>581,590</u>	<u>400,449</u>	<u>14,077,626</u>	<u>5,742,626</u>	<u>33,222,188</u>
Accumulated depreciation:							
At 1 January 2025	2,632,176	2,999,680	326,692	282,367	3,728,979	-	9,969,894
Charge for the year	308,426	246,587	56,347	25,454	500,773	-	1,137,587
Exchange realignment	3,717	5,042	(347)	270	15,012	-	23,694
Disposals	(4,220)	(43,331)	(4,239)	(12,952)	-	-	(64,742)
At 31 December 2025	<u>2,940,099</u>	<u>3,207,978</u>	<u>378,453</u>	<u>295,139</u>	<u>4,244,764</u>	<u>-</u>	<u>11,066,433</u>
Impairment:							
At 1 January 2025	209,513	34,721	3,610	3,837	866,287	635,259	1,753,227
Disposals	-	(56)	(62)	-	-	-	(118)
Charge for the year*	86,972	6,269	96	-	328,892	681,722	1,103,951
At 31 December 2025	<u>296,485</u>	<u>40,934</u>	<u>3,644</u>	<u>3,837</u>	<u>1,195,179</u>	<u>1,316,981</u>	<u>2,857,060</u>
Net book value:							
At 31 December 2025	<u>4,680,521</u>	<u>1,253,880</u>	<u>199,493</u>	<u>101,473</u>	<u>8,637,683</u>	<u>4,425,645</u>	<u>19,298,695</u>

13. PROPERTY, PLANT AND EQUIPMENT – *continued*

During the year, impairment losses of RMB1,596,159,000 in aggregate were mainly recognised for certain property, plant and equipment and other intangible assets of a mine in the Gold segment, a mine in the Copper segment and a smelter in the Copper segment, as a result of the strategic adjustment and business plan adjustment. (1) Given that the mining rights area of the mine in the Gold segment involved water source protection zones, and it was impossible to renew the mining permit and resume production and operational activities, the management determined to close the mine, and fully recognised impairment losses for its remaining property, plant and equipment, including RMB25,970,000 on property, plant and equipment, RMB45,489,000 on construction in progress and RMB12,405,000 on intangible assets, due to the lack of mobility and market value. (2) In 2025, the local authorities clarified that, under the latest policy, the Company will no longer be eligible to obtain a safety production permit. As a result, the management determined that the long-term assets associated with the site are not expected to generate future economic benefits, and therefore recognised a full impairment provision, after considering the expected residual value recoverable upon disposal, including RMB396,260,000 for property, plant and equipment, RMB1,343,000 on construction for progress and RMB478,087,000 for intangible assets, due to the lack of mobility and market value. (3) Due to significant changes in the external economic and social environment in 2025, the management decided that the smelter no longer has the capability to operate. Therefore, after considering the estimated recoverable residual value from the anticipated sale, a full impairment has been recognised for construction in progress, which amounted to RMB634,889,000.

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31 DECEMBER 2025

13. PROPERTY, PLANT AND EQUIPMENT – *continued*

31 December 2024

	Buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Mining infrastructure RMB'000	Construction in progress ("CIP") RMB'000	Total RMB'000
Cost:							
At 1 January 2024	6,731,321	4,102,098	422,797	357,594	11,057,692	4,410,290	27,081,792
Additions	18,429	126,646	47,155	27,210	24,271	1,820,016	2,063,727
Transferred from CIP	570,855	35,560	81,305	–	823,788	(1,511,508)	–
Acquisition of a subsidiary	232,232	109,658	3,757	9,723	1,027,605	63,681	1,446,656
Exchange realignment	(3,799)	(1,794)	(195)	(464)	(21,082)	985	(26,349)
Transferred to other intangible assets	–	–	–	–	–	(17,990)	(17,990)
Transferred from investment properties	15,261	–	–	–	–	–	15,261
Disposals	(211,214)	(127,673)	(3,074)	(15,368)	(416)	(25,865)	(383,610)
At 31 December 2024	<u>7,353,085</u>	<u>4,244,495</u>	<u>551,745</u>	<u>378,695</u>	<u>12,911,858</u>	<u>4,739,609</u>	<u>30,179,487</u>
Accumulated depreciation:							
At 1 January 2024	2,439,832	2,875,614	288,066	272,928	3,352,016	–	9,228,456
Charge for the year	275,064	246,377	41,719	22,292	377,927	–	963,379
Exchange realignment	19	(64)	(71)	14	(964)	–	(1,066)
Transferred from investment properties	1,884	–	–	–	–	–	1,884
Disposals	(84,623)	(122,247)	(3,022)	(12,867)	–	–	(222,759)
At 31 December 2024	<u>2,632,176</u>	<u>2,999,680</u>	<u>326,692</u>	<u>282,367</u>	<u>3,728,979</u>	<u>–</u>	<u>9,969,894</u>
Impairment:							
At 1 January 2024	129,765	27,930	3,610	2,547	609,132	585,349	1,358,333
Charge for the year*	79,748	6,791	–	1,290	257,155	49,910	394,894
At 31 December 2024	<u>209,513</u>	<u>34,721</u>	<u>3,610</u>	<u>3,837</u>	<u>866,287</u>	<u>635,259</u>	<u>1,753,227</u>
Net book value:							
At 31 December 2024	<u>4,511,396</u>	<u>1,210,094</u>	<u>221,443</u>	<u>92,491</u>	<u>8,316,592</u>	<u>4,104,350</u>	<u>18,456,366</u>

At 31 December 2025, no property, plant and equipment of the Group were pledged to secure the Group's bank and other borrowings (2024: Nil).

14. LEASES

THE GROUP AS A LESSEE

The Group has lease contracts mainly for land and offices used in its operations. Lump sum payments or ongoing payments were made to acquire the leased land and offices from the owners with lease periods of 2 to 46 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

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

	Leasehold land RMB'000	Offices RMB'000	Total RMB'000
As at 1 January 2024	745,198	7,160	752,358
Addition	28,009	58,500	86,509
Additions as a result of acquisition of a subsidiary	478	192	670
Exchange realignment	4	(26)	(22)
Depreciation charge	(26,406)	(13,935)	(40,341)
Impairment*	(6,950)	-	(6,950)
	<u>740,333</u>	<u>51,891</u>	<u>792,224</u>
As at 31 December 2024 and 1 January 2025	740,333	51,891	792,224
Addition	56,248	7,130	63,378
Additions as a result of acquisition of a subsidiary	6,338	-	6,338
Exchange realignment	(10)	69	59
Depreciation charge	(27,914)	(20,406)	(48,320)
Impairment*	-	-	-
	<u>774,995</u>	<u>38,684</u>	<u>813,679</u>
As at 31 December 2025	774,995	38,684	813,679

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

14. LEASES – *continued*

THE GROUP AS A LESSEE – *continued*

(b) Lease liabilities

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

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	70,668	23,787
New leases	2,696	58,500
Additions as a result of acquisition of a subsidiary	–	706
Accretion of interest recognised during the year	3,938	3,968
Exchange realignment	116	(29)
Payments	<u>(15,915)</u>	<u>(16,264)</u>
Carrying amount at 31 December	<u><u>61,503</u></u>	<u><u>70,668</u></u>
Analysed into:		
Current portion	11,054	12,189
Non-current portion	<u><u>50,449</u></u>	<u><u>58,479</u></u>

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

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	3,938	3,965
Depreciation charge of right-of-use assets	48,320	40,341
Expense relating to short-term leases (included in administrative expenses)	<u>23,217</u>	<u>3,641</u>
Total amount recognised in profit or loss	<u><u>75,475</u></u>	<u><u>47,947</u></u>

14. LEASES – *continued*

THE GROUP AS A LESSOR

The Group leases its investment property (note 17) in Shandong Province under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for fixed rent during the lease term. Rental income recognised by the Group during the year was RMB8,398,000 (2024: RMB6,824,000), details of which are included in note 5 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	8,398	6,824
After one year but within two years	<u>6,443</u>	<u>–</u>
Total	<u><u>14,841</u></u>	<u><u>6,824</u></u>

NOTES TO FINANCIAL STATEMENTS

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15. GOODWILL

	RMB'000
At 1 January 2024:	
Cost	960,021
Accumulated impairment	<u>(376,718)</u>
Net carrying amount	<u><u>583,303</u></u>
Cost at 1 January 2024, net of accumulated impairment	583,303
Impairment during the year	<u>–</u>
At 31 December 2024	<u><u>583,303</u></u>
At 31 December 2024:	
Cost	960,021
Accumulated impairment	<u>(376,718)</u>
Net carrying amount	<u><u>583,303</u></u>
Cost at 1 January 2025, net of accumulated impairment	583,303
Impairment during the year	<u>–</u>
Cost and net carrying amount at 31 December 2025	<u><u>583,303</u></u>
At 31 December 2025:	
Cost	960,021
Accumulated impairment	<u>(376,718)</u>
Net carrying amount	<u><u>583,303</u></u>

15. GOODWILL – *continued*

IMPAIRMENT TESTING OF GOODWILL

The cash flows generated from each subsidiary acquired are independent from those of the other subsidiaries of the Group. Therefore, each of these acquired subsidiaries is a separate cash-generating unit. Management considered that the synergies arising from each acquisition mainly benefited the corresponding acquired subsidiary. Therefore, when performing the impairment test, the goodwill generated from each acquisition is allocated to the corresponding subsidiary acquired.

During the year, the impairment losses recognised in goodwill was nil (2024:RMB nil).

The recoverable amount of each cash-generating unit has been determined on a VIU method, which is based on certain key assumptions including the discount rate, gold price projection and estimation of mineral reserves and resources. The discount rates applied to the cash flow projections are in a range of 10% to 21% (2024: 10% to 21%), that reflect current market assessments of the time value of money and the risks specific to the Group (the related pre-tax rates are 12% to 28% (2024: 12% to 28%)).

The carrying amount of goodwill allocated to each of the CGUs is as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount of goodwill:		
The Company	84,336	84,336
JTL	70,086	70,086
Dongfang Yanjing	2,191	2,191
Yuantong	85,627	85,627
Baiyun Mining	139,691	139,691
FNJL	130,900	130,900
TZB	35,516	35,516
ZJDK	24,504	24,504
JRKJ	386	386
WZGY	10,066	10,066
Total	<u>583,303</u>	<u>583,303</u>

Assumptions were used in the VIU calculation of all the cash-generating units for 31 December 2025 and 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Projection periods

The periods over which management has projected cash flows are based on the service lives of mines and the mining plans prepared by management.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

15. GOODWILL – *continued*

IMPAIRMENT TESTING OF GOODWILL – *continued*

Gold and copper output

The values assigned to the future revenues are estimated based on the annual gold and copper production, which is in line with the processing capacity of each cash-generating unit, taking into consideration the expected future capital expenditure and capacity expansion.

Mining costs

The basis used to determine the values assigned to the mining costs is the input requirements in accordance with the long-term mining plan at real unit costs.

Commodity prices

Future commodity prices in the valuation model are estimated by management based on their industry experience, historical price trends and independent expert reports and commentaries.

Budgeted gross margins

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates

The discount rates used are based on a weighted average cost of capital, and are real rates, before tax reflecting specific risks relating to the cash-generating units.

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

16. OTHER INTANGIBLE ASSETS

31 December 2025

	Exploration rights and assets RMB'000	Mining rights and reserves RMB'000	Software RMB'000	Non-patent technologies RMB'000	Total RMB'000
Cost:					
At 1 January 2025	3,607,561	15,434,966	135,029	25,761	19,203,317
Additions	276,449	165,194	23,628	-	465,271
Transferred from CIP	21,979	102,033	5,685	-	129,697
Acquisition of a subsidiary	-	1,131,959	-	-	1,131,959
Exchange realignment	(139)	(102,620)	-	-	(102,759)
Disposals	(27,366)	(2,001)	(254)	-	(29,621)
Transfer	(309,464)	309,464	-	-	-
At 31 December 2025	<u>3,569,020</u>	<u>17,038,995</u>	<u>164,088</u>	<u>25,761</u>	<u>20,797,864</u>
Accumulated amortisation:					
At 1 January 2025	42,203	1,836,416	81,104	25,761	1,985,484
Charge for the year	-	568,317	29,926	-	598,243
Exchange realignment	-	(5,761)	-	-	(5,761)
Disposals	-	-	(254)	-	(254)
At 31 December 2025	<u>42,203</u>	<u>2,398,972</u>	<u>110,776</u>	<u>25,761</u>	<u>2,577,712</u>
Impairment:					
At 1 January 2025	119,773	553,560	-	-	673,333
Exchange realignment	-	(2,667)	-	-	(2,667)
Impairment for the year	-	490,492	-	-	490,492
Disposals	-	-	-	-	-
At 31 December 2025	<u>119,773</u>	<u>1,041,385</u>	<u>-</u>	<u>-</u>	<u>1,161,158</u>
Net book value:					
At 31 December 2025	<u>3,407,044</u>	<u>13,598,638</u>	<u>53,312</u>	<u>-</u>	<u>17,058,994</u>

During year, an impairment loss of RMB490,492,000 in aggregate was mainly recognised for certain other intangible assets, please refer to note 13 for details.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

16. OTHER INTANGIBLE ASSETS – *continued*

During the year, the amortisation of other intangible assets of the Company amounting to RMB598,243,000 (2024: RMB341,983,000) was mainly included in cost of sales.

31 December 2024

	Exploration rights and assets RMB'000	Mining rights and reserves RMB'000	Software RMB'000	Non-patent technologies RMB'000	Total RMB'000
Cost:					
At 1 January 2024	3,629,547	11,083,786	131,964	25,761	14,871,058
Additions	131,831	230,771	–	–	362,602
Transferred from CIP	6,251	7,298	3,065	–	16,614
Acquisition of a subsidiary	–	3,887,168	–	–	3,887,168
Exchange realignment	–	71,287	–	–	71,287
Disposals	–	(5,412)	–	–	(5,412)
Transfer	(160,068)	160,068	–	–	–
At 31 December 2024	<u>3,607,561</u>	<u>15,434,966</u>	<u>135,029</u>	<u>25,761</u>	<u>19,203,317</u>
Accumulated amortisation:					
At 1 January 2024	42,203	1,512,126	64,520	25,610	1,644,459
Charge for the year	–	325,248	16,584	151	341,983
Exchange realignment	–	292	–	–	292
Disposals	–	(1,250)	–	–	(1,250)
At 31 December 2024	<u>42,203</u>	<u>1,836,416</u>	<u>81,104</u>	<u>25,761</u>	<u>1,985,484</u>
Impairment:					
At 1 January 2024	119,773	555,957	–	–	675,730
Exchange realignment	–	1,765	–	–	1,765
Disposals	–	(4,162)	–	–	(4,162)
At 31 December 2024	<u>119,773</u>	<u>553,560</u>	<u>–</u>	<u>–</u>	<u>673,333</u>
Net book value:					
At 31 December 2024	<u>3,445,585</u>	<u>13,044,990</u>	<u>53,925</u>	<u>–</u>	<u>16,544,500</u>

At 31 December 2025, no other intangible assets of the Group were pledged to secure the Group's bank and other borrowings (2024: Nil).

17. INVESTMENT PROPERTIES

	Buildings RMB'000
Cost:	
At 1 January 2025	87,735
Transferred to owner-occupied property	<u>-</u>
At 31 December 2025	<u><u>87,735</u></u>
Accumulated depreciation:	
At 1 January 2025	11,292
Charge for the year	2,837
Transferred to owner-occupied property	<u>-</u>
At 31 December 2025	<u><u>14,129</u></u>
Net book value:	
At 31 December 2025	<u><u>73,606</u></u>
At 31 December 2024	<u><u>76,443</u></u>

At 31 December 2025, the investment property is leased to related parties under an operating lease, further details of which are included in note 14 to the financial statement, and no investment property was pledged to secure the Group's bank and other borrowings (2024: Nil).

In the opinion of the Directors, the fair value of the Group's investment property cannot be reliably measured as there are no active market prices for similar properties.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

18. INVESTMENTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Share of net assets	—	1,716

The Group's deposits from customers and transactions with the joint ventures are disclosed in notes 37 and 45 to the financial statements, respectively.

Particulars of the Group's joint ventures are as follows:

Company name	Place and date of establishment	Paid-up/ registered share capital	Percentage of equity interest directly attributable to the Group	Principal activities
Shandong Zhongrui Environmental Protection Company Limited ("ZRHB") (山東中瑞環保科技有限公司)	PRC 29 January 2019	RMB10,000,000	50%	Environmental services
Guangzhou Jinhe Mining Investment Limited Partnership ("GZJH") (廣州金合 礦業投資合夥企業(有限合夥))*	PRC 24 December 2018	RMB65,000,000	80%	Investment

* Considering the Group has no executive rights but one-vote veto rights in GZJH and its regulation, GZJH was accounted for as a joint venture, although the Group's equity interest was 80% for the year ended 31 December 2025.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the joint ventures' loss for the year	—	(1,494)
Share of the joint ventures' total comprehensive income	—	(1,494)
Aggregate carrying amount of the Group's investments in the joint ventures	—	1,716

The above investment is directly held by the Company. The management of ZRHB has plans to liquidate ZRHB since it is insolvent. The Group has fully impaired its investment in ZRHB and also discontinued the recognition of its share of losses because the share of losses of the joint venture exceeded the Group's interest in the joint venture and the Group has no obligation to take up further losses.

19. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	342,330	358,213
Goodwill on acquisition	—	52,240
Total	<u>342,330</u>	<u>410,453</u>

The Group's loans receivable, prepayments and other receivables, trade payable, other payables and accruals, and transactions with the associates are disclosed in notes 23, 28, 31, 32 and 45 to the financial statements, respectively.

Particulars of the principal associates are as follows:

Company name	Place and date of establishment/ incorporation	Paid-up/ registered share capital	Percentage of equity interest directly attributable to the Group	Principal activities
Aletai Zhengyuan International Mining Company Limited ("Aletai") (阿勒泰正元國際礦業有限公司)	PRC 20 May 2005	RMB90,000,000	38.50%	Gold mining and processing of gold products
Jin's Bonanza (Resource) Holding Limited ("JBHL") (大愚智水42(資源)控股有限公司)	BVI 31 October 2011	USD10,000	46.07%	Investment holding
Shandong Zhaojin Ruining Mining Co., Ltd. ("Ruining") (山東招金瑞寧礦業有限公司)	PRC 10 October 2024	RMB900,000,000	24.44%	Gold mining and processing of gold products

NOTES TO FINANCIAL STATEMENTS

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19. INVESTMENTS IN ASSOCIATES – *continued*

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the associates' profits and losses for the year	20,565	11,680
Share of the associates' total comprehensive income	20,565	11,680
Impairment on investments in associates	–	–
Aggregate carrying amount of the Group's investments in the associates	<u>342,330</u>	<u>410,453</u>

During the year, the Group acquired a 100% equity interest in SDZQ from different third parties, and SDZQ became a wholly-owned subsidiary of the Group. Further details of this acquisition are included in note 42 to the financial statements.

20. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	2025 RMB'000	2024 RMB'000
Government bonds	<u>573,388</u>	<u>253,418</u>

At 31 December 2025, no financial assets measured at amortised cost of the Group were pledged to secure the Group's bank and other borrowings (2024: Nil).

21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
Equity investments designated at fair value through other comprehensive income		
Listed equity investments, at fair value		
Weihai City Commercial Bank Co., Ltd.	177,498	183,891
B2Gold Corp.	–	380,408
Taruga Gold	89	45
	<u>177,587</u>	<u>564,344</u>
Total	<u>177,587</u>	<u>564,344</u>

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

In September 2025, the Group sold its equity interest in B2Gold Corp. as this investment no longer coincided with the Group's investment strategy. The fair value on the date of sale was RMB637,389,000 and the accumulated gain recognised in other comprehensive income of RMB3,147,000 was transferred to retained earnings profits. During the year, the Group received dividends in the amount of RMB5,104,000 (2024: RMB20,450,000) from B2Gold Corp. and in the amount of RMB6,186,000 (2024: RMB7,011,000) from Weihai City Commercial Bank Co., Ltd.

22. DEFERRED TAX

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

2025

Deferred tax assets

	Impairment losses on financial assets	Difference on tax depreciation and book value of property, plant and equipment	Provision for early retirement and rehabilitation	Deferred income	Losses available for offsetting against future taxable profits	Unrealised profit	Changes in fair value of held-for-trading financial assets	Inventory provision	Lease liabilities	Others	Impairment losses on construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	135,709	21,717	18,815	10,917	310,088	70,534	4,023	1,568	470	10,599	52,730	637,170
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	3,276	(2,630)	2,666	5,084	(75,335)	44,352	(4,547)	(1,206)	(17)	1,450	(52,301)	(79,208)
Deferred tax arising from acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–
Deferred tax charged to other comprehensive income	–	–	–	–	–	–	524	–	–	–	–	524
At 31 December 2025	<u>138,985</u>	<u>19,087</u>	<u>21,481</u>	<u>16,001</u>	<u>234,753</u>	<u>114,886</u>	<u>–</u>	<u>362</u>	<u>453</u>	<u>12,049</u>	<u>429</u>	<u>558,486</u>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

22. DEFERRED TAX – continued

The movements in deferred tax assets and liabilities during the year are as follows: – continued

2025 – continued

Deferred tax liabilities

	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Difference on tax base and book value of other intangible assets RMB'000	Changes in fair value of held-for-trading financial assets RMB'000	Withholding tax on profit repatriations RMB'000	Total RMB'000
At 1 January 2025	(1,203,275)	(87,061)	–	–	(1,290,336)
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	192,239	(10,615)	(181,631)	(48,450)	(48,457)
Deferred tax arising from acquisition of subsidiaries	(255,890)	–	–	–	(255,890)
Deferred tax credited to other comprehensive income	22,588	–	–	–	22,588
At 31 December 2025	<u>(1,244,338)</u>	<u>(97,676)</u>	<u>(181,631)</u>	<u>(48,450)</u>	<u>(1,572,095)</u>

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

2024

Deferred tax assets

	Impairment losses on financial assets RMB'000	Difference on tax depreciation and book value of property, plant and equipment RMB'000	Provision for early retirement and rehabilitation RMB'000	Deferred income RMB'000	Losses available for offsetting against future taxable profits RMB'000	Unrealised profit RMB'000	Changes in fair value of held-for-trading financial assets RMB'000	Inventory provision RMB'000	Lease liabilities RMB'000	Others RMB'000	Impairment losses on construction in progress RMB'000	Total RMB'000
At 1 January 2024	133,348	34,333	15,479	9,699	235,344	23,093	–	4,324	445	8,670	52,730	517,465
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	2,361	(12,616)	2,891	1,218	74,744	47,441	10,115	(2,756)	25	1,929	–	125,352
Deferred tax arising from acquisition of subsidiaries	–	–	524	–	–	–	–	–	–	–	–	524
Deferred tax charged to other comprehensive income	–	–	(79)	–	–	–	(6,092)	–	–	–	–	(6,171)
At 31 December 2024	<u>135,709</u>	<u>21,717</u>	<u>18,815</u>	<u>10,917</u>	<u>310,088</u>	<u>70,534</u>	<u>4,023</u>	<u>1,568</u>	<u>470</u>	<u>10,599</u>	<u>52,730</u>	<u>637,170</u>

22. DEFERRED TAX – continued

The movements in deferred tax assets and liabilities during the year are as follows: – *continued*

2024 – *continued*

Deferred tax liabilities

	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Difference on tax base and book value of other intangible assets RMB'000	Changes in fair value of held-for-trading financial assets RMB'000	Total RMB'000
At 1 January 2024	(252,195)	(86,251)	(3,309)	(341,755)
Deferred tax credited/(charged) to the statement of profit or loss during the year (<i>note 10</i>)	53,382	(810)	3,309	55,881
Deferred tax arising from acquisition of subsidiaries	(987,905)	–	–	(987,905)
Deferred tax credited to other comprehensive income	(16,557)	–	–	(16,557)
At 31 December 2024	<u>(1,203,275)</u>	<u>(87,061)</u>	<u>–</u>	<u>(1,290,336)</u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

DEFERRED TAX ASSETS

	2025 RMB'000	2024 RMB'000
Gross deferred tax assets at 31 December 2025	558,486	637,170
Deferred tax assets and liabilities that have been offset in the statement of financial position	<u>(33,768)</u>	<u>(127,606)</u>
Net deferred tax assets recognised in the consolidated statement of financial position	<u>524,718</u>	<u>509,564</u>

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31 DECEMBER 2025

22. DEFERRED TAX – *continued*

DEFERRED TAX LIABILITIES

	2025 RMB'000	2024 RMB'000
Gross deferred tax liabilities at 31 December 2025	(1,572,095)	(1,290,336)
Deferred tax assets and liabilities that have been offset in the statement of financial position	<u>33,768</u>	<u>127,606</u>
Net deferred tax liabilities recognised in the consolidated statement of financial position	<u><u>(1,538,327)</u></u>	<u><u>(1,162,730)</u></u>

The Group has tax losses arising in Hong Kong of RMB176,174,000 (2024: RMB83,357,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has tax losses arising in the Chinese mainland of RMB1,370,547,000 (2024: RMB940,786,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of tax losses and deductible temporary differences as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax assets have not been recognised in respect of the following items:

	2025 RMB'000	2024 RMB'000
Tax losses	1,546,721	1,024,143
Deductible temporary differences	<u>796,280</u>	<u>550,541</u>
Total	<u><u>2,343,001</u></u>	<u><u>1,574,684</u></u>

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

At 31 December 2025, deferred tax liabilities have been recognised amounting to RMB48,450,000 (2024: Nil) for withholding taxes on expected profit repatriations from the Group's overseas subsidiaries.

23. LOANS RECEIVABLE

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Loans receivable due from:			
An associate of Zhaojin Group	<i>(a)</i>	265,000	469,313
Zhaojin Group	<i>(b)</i>	440,000	100,000
Subsidiaries of Zhaojin Group	<i>(c)</i>	1,566,001	1,644,401
Third parties	<i>(d)</i>	463,726	458,612
Minority shareholders	<i>(e)</i>	15,757	50,757
		<u>2,750,484</u>	<u>2,723,083</u>
Less: Impairment		<u>(530,614)</u>	<u>(621,635)</u>
Total		<u><u>2,219,870</u></u>	<u><u>2,101,448</u></u>
Less: Due within 12 months		<u>(1,981,857)</u>	<u>(1,881,932)</u>
Due over 12 months		<u><u>238,013</u></u>	<u><u>219,516</u></u>

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23. LOANS RECEIVABLE – *continued*

- (a) The Company signed entrusted loan agreements through Zhaojin Finance to provide loans of RMB265,000,000 (2024: Nil) to an associate of Zhaojin Group. The loans are unsecured, bear interest at a fixed rate of 3.2000% per annum and have a maturity date on 24 April 2026. The Company signed entrusted loan agreements through Zhaojin Finance to provide loans of RMB469,313,000 to a subsidiary of an associate in 2024, which had been acquired during the year and consolidated into the financial statements, the balance was fully eliminated in consolidation.
- (b) Zhaojin Finance provided loans of RMB440,000,000(2024: RMB100,000,000) to Zhaojin Group. The loans bear interest rate at a fixed rate of 2.2000% (2024: 3.1000%) per annum and have a maturity date on 9 November 2026.
- (c) Zhaojin Finance provided loans of RMB1,566,001,000(2024: RMB1,525,006,000) to subsidiaries of Zhaojin Group. The loans are guaranteed by Zhaojin Group, which bear interest rates ranging from 2.6000% to 3.1000% (2024: 2.7500% to 3.4500%) per annum and have maturity dates from 4 June 2026 to 20 December 2030.

Zhaojin Finance also provided bill discounting services with the balance of nil (2024: RMB119,395,000) to subsidiaries of Zhaojin Group, which bore interest at a fixed rate from 2.5500% to 3.0000% (2024: 2.7500%) per annum and had a maturity date on 7 September 2025.

- (d) The Company signed entrusted loan agreements to provide loans of RMB463,726,000 (2024:RMB458,612,000) to third parties. The loans of RMB72,342,000 (2024: RMB74,989,000) are secured by equity and mining rights and have a maturity date on 31 December 2029. And the remaining loans of RMB391,384,000 (2024:RMB383,624,000) are unsecured, and fully impaired. The loans bear interest at fixed rates ranging from 3.4500% to 5.4625% (2024: 4.3500% to 5.4625%) per annum.
- (e) The Company provided loans of RMB15,757,000 (2024: RMB50,757,000) to the non-controlling shareholder of one of the subsidiaries. The loans are secured by equity or mining rights, and interest is paid at a rate of 15%, higher than the People's Bank of China LPR rate for the corresponding period. The loans have a maturity date on 31 December 2026.

24. LONG-TERM DEPOSITS

Long-term deposits represent utilities and environmental rehabilitation deposits required by government authorities. The amounts were not expected to be refunded within the next 12 months as at 31 December 2025.

25. OTHER LONG-TERM ASSETS

	2025 RMB'000	2024 RMB'000
Advances and deposits paid for acquisitions of subsidiaries and exploration rights	416,832	476,685
Advance payments for purchases of property, plant and equipment	59,851	113,095
Non-current financial assets	650,072	187,489
Long-term prepaid expenses	38,973	42,316
Total	<u>1,165,728</u>	<u>819,585</u>

The outstanding commitments in relation to the above acquisitions and purchases are disclosed in note 44 to financial statements.

26. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	297,508	210,436
Work in progress	5,876,906	5,939,518
Finished goods	129,951	106,380
	6,304,365	6,256,334
Less: Impairment	<u>(2,497)</u>	<u>(9,983)</u>
Total	<u>6,301,868</u>	<u>6,246,351</u>

The Group designated part of gold concentrate in work in progress as a fair value hedged item.

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26. INVENTORIES – *continued*

The Group mainly runs gold production and processing business. The Company's subsidiaries, Gansu Smelting and Jinhe, managed a portion of the commodity price risk of the gold and copper concentrates held through gold commodity futures and copper commodity futures contracts with futures exchanges. The gold and copper produced and processed by the Group are the same as the standard gold and copper commodities corresponding to the gold futures contracts and copper futures contracts. The variables underlying both the hedging instruments (gold futures contracts and copper futures contracts) and the hedged items (gold and copper concentrates) are the standard gold price and standard copper price. The Group has established a hedge ratio of 1:1 for the hedging relationships.

As at 31 December 2025, the book value of the inventories that had been designated as hedged items was RMB417,235,000 (2024: RMB252,814,000). The accumulated changes in fair value were RMB38,892,000 (RMB7,683,000). Among them, the increase in accumulated gains on fair value of gold futures was RMB38,892,000 (2024: RMB7,762,000), and the decrease in accumulated losses on fair value of copper futures was nil (2024: RMB79,000).

27. TRADE AND NOTES RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	169,206	177,284
Notes receivable	276,706	16,569
Impairment	<u>(16,973)</u>	<u>(17,879)</u>
Net carrying amount	<u><u>428,939</u></u>	<u><u>175,974</u></u>

The Group's trading terms with its customers are mainly on credit, except for new customers and sales of gold and copper concentrates, where payment in advance is normally required. The Group seeks to maintain strict control over its outstanding trade receivables and has a credit control department to minimise credit risk. Ageing balances of trade receivables are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and notes receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and notes receivables balances. Trade and notes receivables are non-interest-bearing.

27. TRADE AND NOTES RECEIVABLES – *continued*

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	141,556	149,714
1 to 2 years	4,770	4,816
2 to 3 years	4,003	3,103
Over 3 years	1,904	1,772
Total	<u>152,233</u>	<u>159,405</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	17,879	21,600
Impairment losses, net (<i>note 8</i>)	(956)	(509)
Written off as uncollectible	50	(3,212)
At end of year	<u>16,973</u>	<u>17,879</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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27. TRADE AND NOTES RECEIVABLES – *continued*

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

As at 31 December 2025

	Ageing				Total
	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	0.43%	11.77%	16.93%	88.67%	10.03%
Gross carrying amount (RMB'000)	142,171	5,407	4,819	16,809	169,206
Expected credit losses (RMB'000)	<u>615</u>	<u>637</u>	<u>816</u>	<u>14,905</u>	<u>16,973</u>

As at 31 December 2024

	Ageing				Total
	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	0.72%	14.94%	27.95%	89.27%	10.08%
Gross carrying amount (RMB'000)	150,795	5,662	4,307	16,520	177,284
Expected credit losses (RMB'000)	<u>1,081</u>	<u>846</u>	<u>1,204</u>	<u>14,748</u>	<u>17,879</u>

Trade and notes receivables are non-interest-bearing. As 49% (2024: 63%) of the sales of the Group for the year ended 31 December 2025 were generated through the Shanghai Gold Exchange (SGE) without specific credit terms, and the remaining 51% (2024: 37%) of the sales were generated from the transactions with related parties and third parties. There were no significant receivables that were overdue or impaired.

Trade and notes receivables due from related parties included in the trade and notes receivables of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Amounts due from related parties		
Zhaojin Group	386	222
Subsidiaries of Zhaojin Group	<u>39,368</u>	<u>5,878</u>
Total	<u>39,754</u>	<u>6,100</u>

The amounts due from related parties are unsecured, interest-free and are expected to be settled within 180 days.

28. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Prepayments	512,138	375,595
Other receivables	<u>1,280,162</u>	<u>1,249,388</u>
	1,792,300	1,624,983
Impairment allowance	<u>(309,022)</u>	<u>(251,864)</u>
Total	<u><u>1,483,278</u></u>	<u><u>1,373,119</u></u>

Prepayments and other receivables due from related parties included in the prepayments and other receivables of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Amounts due from related parties:		
Zhaojin Group	3,548	3,831
Subsidiaries of Zhaojin Group	12,466	172,351
Associates	<u>1,360</u>	<u>180,000</u>
Total	<u><u>17,374</u></u>	<u><u>356,182</u></u>

The amounts due from related parties are unsecured, interest-free and are repayable on demand.

There are no significant balances that are overdue or impaired except for the impairment of other receivables. Movements in the provision for impairment of other receivables are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	251,864	233,299
Impairment losses	57,800	18,565
Written off as uncollectible	<u>(642)</u>	<u>—</u>
At 31 December	<u><u>309,022</u></u>	<u><u>251,864</u></u>

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29. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	RMB'000	RMB'000
Listed equity investments, at fair value	2,201,117	433,859
Listed fund investments, at fair value	42,628	32,321
Unlisted fund investments, at fair value	428,036	277,063
Treasury bond repurchases	187,000	223,000
Government bonds	–	387,371
Total	<u>2,858,781</u>	<u>1,353,614</u>

At 31 December 2025, the above listed equity investments and government bonds were classified as financial assets at fair value through profit or loss as they were held for trading.

At 31 December 2025, the above listed and unlisted fund investments, treasury bond repurchases, government bonds and structured deposits were wealth management products issued by financial institutions in the Chinese mainland and Hong Kong. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

30. CASH AND CASH EQUIVALENTS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	1,824,913	2,029,825
Time deposits	<u>1,547,435</u>	<u>1,253,512</u>
Subtotal	<u>3,372,348</u>	<u>3,283,337</u>
Less: Pledged deposits		
Pledged for environment governance	(300,329)	(289,545)
Required reserve deposits*	(174,776)	(153,108)
Pledged for notes payable	(143,519)	(180,989)
Pledged for letter of guarantee	(2,594)	(1,063)
Pledged for letter of credit	<u>-</u>	<u>(1,100)</u>
	<u>(621,218)</u>	<u>(625,805)</u>
Time deposits with original maturity of more than three months	<u>(926,217)</u>	<u>(627,707)</u>
Cash and cash equivalents	<u><u>1,824,913</u></u>	<u><u>2,029,825</u></u>

* Required reserve deposits amounting to RMB174,776,000 (2024: RMB153,108,000) are placed by Zhaojin Finance, with the People's Bank of China ("PBOC"). The reserve deposits with the PBOC are not available for use in the Group's daily operations.

At the end of the reporting period, the cash and cash equivalents of the Group denominated in Hong Kong dollar ("HKD") amounted to approximately RMB138,480,000 (2024: RMB15,437,000), those denominated in United States dollar ("USD") amounted to approximately RMB180,771,000 (2024: RMB266,453,000), those denominated in Australian dollar ("AUD") amounted to approximately RMB31,440,000 (2024: RMB28,714,000), those denominated in Great British pound ("GBP") amounted to approximately RMB6,349,000 (2024: RMB278,872,000), those denominated in Canadian dollar ("CAD") amounted to approximately RMB20,000 (2024: RMB28,962,000), those denominated in CFA West African Franc ("XOF") amounted to approximately RMB192,432,000 (2024: RMB48,548,000), those denominated in Sierra Leonean Leone ("SLL") amounted to approximately RMB319,000 (2024: RMB338,000), those denominated in Lao Kip ("LAK") amounted to approximately RMB14,000 (2024: Nil) and those denominated in Kazakhstani Tenge ("KZT") amounted to approximately RMB3,000 (2024: Nil). All other cash and cash equivalents held by the Group are denominated in RMB.

NOTES TO FINANCIAL STATEMENTS

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30. CASH AND CASH EQUIVALENTS – *continued*

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

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

31. TRADE AND NOTES PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	885,942	649,280
Notes payable	<u>30,136</u>	<u>176,438</u>
Total	<u><u>916,078</u></u>	<u><u>825,718</u></u>

At 31 December 2025, the balance of trade and notes payables mainly represented the amount regarding the unsettled procurement of gold concentrate. The trade and notes payables are non-interest-bearing and the trade payables are normally settled on 60 days' terms.

An ageing analysis of the trade and notes payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	873,186	782,261
Over one year but within two years	16,944	18,256
Over two years but within three years	7,237	5,337
Over three years	<u>18,711</u>	<u>19,864</u>
Total	<u><u>916,078</u></u>	<u><u>825,718</u></u>

31. TRADE AND NOTES PAYABLES – continued

Trade payables due to related parties included in the trade payables of the Group are as follows:

	2025	2024
	RMB'000	RMB'000
Amounts due to related parties:		
Subsidiaries of Zhaojin Group	1,913	56
Associates	<u>25</u>	<u>25</u>
Total	<u><u>1,938</u></u>	<u><u>81</u></u>

The amounts due to related parties are unsecured, interest-free and expected to be settled within 60 days, which represents credit terms similar to those offered from the related parties to their major customers.

32. OTHER PAYABLES AND ACCRUALS

		2025	2024
		RMB'000	RMB'000
Accrued taxes other than income tax		237,986	115,861
Contract liabilities	(a)	680,294	614,502
Accrued expenses and other payables	(b)	1,384,344	1,216,348
Lease liabilities		11,054	12,189
Capital expenditure payables		<u>914,379</u>	<u>755,810</u>
Total		<u><u>3,228,057</u></u>	<u><u>2,714,710</u></u>

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32. OTHER PAYABLES AND ACCRUALS – *continued*

Notes:

(a) Details of contract liabilities are as follows:

	2025 RMB'000	2024 RMB'000
Sales of goods	618,300	576,415
Others	<u>61,994</u>	<u>38,087</u>
Total	<u><u>680,294</u></u>	<u><u>614,502</u></u>

Contract liabilities include short-term advances received in relation to the delivery of gold and copper concentrates.

(b) Other payables are non-interest-bearing and have an average term ranging from 30 to 60 days.

Other payables due to related parties included in the other payables and accruals of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Amounts due to related parties:		
Zhaojin Group	54,186	34,923
Subsidiaries of Zhaojin Group	45,132	58,933
Associates	87,554	66,635
Minority shareholders	<u>741</u>	<u>2,978</u>
Total	<u><u>187,613</u></u>	<u><u>163,469</u></u>

The amounts due to related parties are unsecured, interest-free and repayable on demand.

33. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025			2024		
	Effective annual interest rate (%)	Maturity	RMB'000	Effective annual interest rate (%)	Maturity	RMB'000
Current						
Bank loans – secured <i>(b)</i>	2.10-3.10	2026	329,000	2.71-3.00	2025	145,000
Bank loans – unsecured	2.01-3.00	2026	1,953,707	0.85-4.35	2025	1,811,784
Gold leasing business						
– secured <i>(b)</i>	1.60-1.80	2026	200,912	2.50-3.00	2025	143,627
Gold leasing business						
– unsecured	0.50-2.70	2026	2,118,131	0.50-3.30	2025	2,653,638
Other borrowings						
– secured <i>(c)</i>	–	2026	–	1.75	2025	119,598
Other borrowings						
– unsecured	3.95	2026	1,000,000	–	2025	–
Short-term bonds						
– unsecured	1.58-1.68	2026	<u>2,000,000</u>	1.78-2.05	2025	<u>2,700,000</u>
Subtotal – current			<u>7,601,750</u>			<u>7,573,647</u>
Non-current						
Bank loans – unsecured	2.21-2.70	2026-2035	1,395,475	2.60-3.10	2026-2035	2,337,525
Bank loans – secured <i>(b)</i>	2.26-2.38	2031-2036	2,718,005	2.56-2.98	2031-2036	2,073,547
Other borrowings						
– unsecured	–	–	<u>–</u>	3.95	2026	<u>1,000,000</u>
Subtotal – non-current			<u>4,113,480</u>			<u>5,411,072</u>
Total			<u>11,715,230</u>			<u>12,984,719</u>

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33. INTEREST-BEARING BANK AND OTHER BORROWINGS – *continued*

Notes:

- (a) As at 31 December 2025, bank loans amounting to RMB2,718,005,000 (2024: RMB2,073,547,000) borrowed by Ruihai were secured by Zijin Mining Group Company Limited, which shall bear joint liability based on its equity interest in Ruihai (30%). Bank loans and gold leasing amounting to RMB304,912,300 (2024: RMB143,627,000) borrowed by Baiyun Mining were secured by Fengcheng Gold (Group) Company Limited, which shall bear joint liability based on its equity interest in the borrowing company (45%).
- (b) All of the Group's other borrowings are not secured by bills to the People's Bank of China at the end of the reporting period (31 December 2024: RMB120,000,000).
- (c) As at 31 December 2025, all the borrowings were denominated in RMB.

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans and short-term bonds repayable:		
Within one year or on demand	4,445,108	4,656,784
In the second years	382,750	1,491,650
In the third to fifth years, inclusive	1,544,763	869,387
Beyond five years	2,185,967	2,050,035
Subtotal	<u>8,558,588</u>	<u>9,067,856</u>
Other borrowings repayable:		
Within one year	1,000,000	119,598
In the second years	–	1,000,000
In the third to fifth years, inclusive	–	–
Subtotal	<u>1,000,000</u>	<u>1,119,598</u>
Gold leasing business repayable:		
Within one year	2,156,642	2,797,265
Total	<u><u>11,715,230</u></u>	<u><u>12,984,719</u></u>

34. CORPORATE BONDS

On 24 January 2022, the Company issued a corporate bond to the public on the Shanghai Stock Exchange with a par value of RMB1 billion (the “2022 1st Zhaojin Bond”). The bond carries interest at 3.03% per annum with a term of five years, which is payable annually on 24 January each year. According to the offering memorandum of the 2022 Zhaojin 1st Bond, the bond holders are entitled to execute the put option at a redemption price equal to the principal amount on the interest payment date of the third year since 24 January 2022. According to the announcements of the Shanghai Stock Exchange on December 31, 2024 and January 2, 2025, all investors have exercised the put option. On 24 January 2025, the Company repaid the principal amount of RMB1 billion.

On 15 September 2022, the Company issued a corporate bond to the public on the Shanghai Stock Exchange with a par value of RMB1 billion (the “2022 2nd Zhaojin Bond”). The bond carries interest at 2.78% per annum with a term of five years, which is payable annually on 15 September each year. According to the offering memorandum of the 2022 Zhaojin 2nd Bond, the bond holders are entitled to execute the put option at a redemption price equal to the principal amount on the interest payment date of the third year since 15 September 2022. According to the announcements of the Shanghai Stock Exchange on August 21, all investors have exercised the put option. On 15 September 2025, the Company repaid the principal amount of RMB1 billion.

On 23 September 2022, the Company issued a medium term note to the public in the PRC interbank bond market with a par value of RMB1 billion (the “2022 Zhaojin medium term note”). The bond carries interest at 2.75% per annum with a term of three years, which is payable annually on 23 September each year. On 23 September 2025, the Company repaid the principal amount of RMB1 billion.

On 26 April 2023, the Company issued a medium term note to the public in the PRC interbank bond market with a par value of RMB1 billion (the “2023 2nd Zhaojin medium term note”). The bond carries interest at 3.2% per annum with a term of three years, which is payable annually on 27 April each year.

On 10 August 2023, the Company issued a corporate bond to the public on the Shanghai Stock Exchange with a par value of RMB1 billion (the “2023 1st Zhaojin Bond”). The bond carries interest at 2.99% per annum with a term of five years, which is payable annually on 10 August each year. According to the offering memorandum of the 2023 1st Zhaojin Bond, the bond holders are entitled to execute the put option at a redemption price equal to the principal amount on the interest payment date of the third year since 10 August 2023.

On 16 May 2024, the Company issued a medium term note to the public in the PRC interbank bond market with a par value of RMB1 billion (the “2024 1st Zhaojin medium term note”). The bond carries interest at 2.3% per annum with a term of three years, which is payable annually on 16 May each year.

On 17 June 2024, the Company issued a medium term note to the public in the PRC interbank bond market with a par value of RMB1 billion (the “2024 2nd Zhaojin medium term note”). The bond carries interest at 2.26% per annum with a term of three years, which is payable annually on 17 June each year.

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34. CORPORATE BONDS – *continued*

On 11 June 2025, the Company issued a medium term note to the public in the PRC interbank bond market with a par value of RMB1 billion (the “2025 1st Zhaojin medium term note”). The bond carries interest at 1.86% per annum with a term of three years, which is payable annually on 12 June each year.

On 7 August 2025, the Company issued a medium term note to the public in the PRC interbank bond market with a par value of RMB1 billion (the “2025 4th Zhaojin medium term note”). The bond carries interest at 1.80% per annum with a term of three years, which is payable annually on 8 August each year.

On 24 November 2025, the Company issued a Science and Technology Innovation corporate bond to the public in the PRC interbank bond market with a par value of RMB1 billion (the “2025 Zhaojin K1”). The bond carries interest at 1.89% per annum with a term of five years, which is payable annually on 25 November each year.

	2025 RMB'000	2024 RMB'000
Corporate bonds at the beginning of the year	6,995,976	7,995,774
Corporate bonds issued during the year	3,000,000	1,998,000
Corporate bonds redeemed during the year	(3,000,000)	(3,000,000)
Increase arising from the amortisation method	1,442	2,202
Corporate bonds at the end of the year	<u>6,997,418</u>	<u>6,995,976</u>
Current (2.75%-3.20% per annum)	<u>999,884</u>	<u>1,999,184</u>
Non-current (1.80% -2.99% per annum)	<u>5,997,534</u>	<u>4,996,792</u>
Total	<u>6,997,418</u>	<u>6,995,976</u>

35 DEFERRED INCOME

Deferred income represents unconditional government grants received in respect of property, plant and equipment, geological exploration activities and the mining of low-grade ores. The movements in deferred income during the year are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	76,498	80,953
Received during the year	55,002	24,332
Recognised as income during the year	<u>(29,835)</u>	<u>(28,787)</u>
At end of year	<u><u>101,665</u></u>	<u><u>76,498</u></u>

36. PROVISIONS

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Post-employment benefit obligations:			
Early retirement	<i>(a)</i>	7,651	9,306
Rehabilitation	<i>(b)</i>	90,034	76,305
Contingencies from bill guarantee		3,681	5,899
Litigation	<i>(c)</i>	<u>25,639</u>	<u>34,586</u>
Total		<u><u>127,005</u></u>	<u><u>126,096</u></u>
Current		1,362	1,607
Non-current		<u>125,643</u>	<u>124,489</u>
Total		<u><u>127,005</u></u>	<u><u>126,096</u></u>

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36. PROVISIONS – *continued*

- (a) The provision for early retirement is made in respect of future payments to be made by the Group to former employees who have accepted early retirement terms. These payments are made monthly based on the employees' pre-retirement salary level and age and are due to be made until the former employees reach the normal statutory retirement age, which extends up to 2035. The obligation has no defined benefit plan asset.

The Group's obligation in respect of post-employment benefit of early retirement at the end of the reporting period was computed by an independent actuary, Hesi Ceyuan Enterprise Services (Shanghai) Co., Ltd., which is a member of China Association of Actuaries, using the projected cumulative unit credit method.

For the financial year ended 31 December 2025, there was no forfeited contribution under the Mandatory Provident Fund retirement benefit scheme and the other defined contribution retirement benefit plans of the Group, which may be used by the Group to reduce the contribution payable in the future years.

The significant actuarial assumptions used as at the end of the reporting period are as follows:

	2025	2024
Discount rate (%)	1.5	1.25
Annual increase rate of post-employment salary continuance benefits (%)		
– Before 2025 (including 2025)	3.00	3.00
– After 2025	3.00	3.00

Mortality: China Life Insurance Mortality Table (2010-2013) - CL5/CL6

A quantitative sensitivity analysis for significant assumptions as at 31 December 2025 is shown below:

	Increase in rate %	(Decrease)/ increase in net early retirement RMB'000	Increase in rate %	(Increase)/ decrease in net early retirement RMB'000
Discount rate	0.25	(61)	0.25	62
Annual increase rate of post-employment salary continuance benefits	0.5	123	0.5	(121)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the post-employment obligation to significant actuarial assumptions, the same method (present value of the post-employment obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating post-employment obligations recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change.

36. PROVISIONS – *continued*(a) – *continued*

The movements in the present value of the post-employment obligations are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	9,306	12,768
Charged to the statement of profit or loss for employment benefits		
– Interest increment	106	260
Remeasurement gain recognised in other comprehensive income	(234)	(1,902)
Utilised during the year	(1,527)	(1,820)
At end of year	<u>7,651</u>	<u>9,306</u>
Current	1,362	1,607
Non-current	<u>6,289</u>	<u>7,699</u>
Total	<u>7,651</u>	<u>9,306</u>

Analysis of the expected maturity of undiscounted post-employment benefits:

At 31 December 2025	Less than 1 year RMB'000	Less than 1 year RMB'000	Over 5 years RMB'000	Total RMB'000
Early retirement benefits	1,362	4,733	1,803	7,898

- (b) The provision for rehabilitation is related to the estimated costs of complying with the Group's obligations for land reclamation. These costs are expected to be incurred on mine closure, which, based on current mineral reserve estimates, lasts for periods ranging from 7 to 48 years.

The movements in the present value of the provision for rehabilitation are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	76,305	34,852
Acquisition of a subsidiary	–	43,879
Unwinding of discount	1,020	1,433
Change in discount rate	9,625	(1,700)
Exchange realignment	3,084	(2,159)
At end of year	<u>90,034</u>	<u>76,305</u>
Non-current	<u>90,034</u>	<u>76,305</u>

- (c) A third-party company, under the entrusted management of the Group, purchased engineering services and production materials. The directors, based on the agreement with the entruster and the advice from the Group's legal counsel, believed that it is highly probable the Group has to pay for the amount used for the purchase, and the payment cannot be recovered. The claim is subject to legal arbitration. At the end of the reporting period, RMB1,767,000 of the provision has been paid and the balance is RMB25,639,000 (2024: RMB27,407,000).

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37. DEPOSITS FROM CUSTOMERS

	2025 RMB'000	2024 RMB'000
Demand deposits	374,320	784,200
Notice deposits	196,223	75,139
Time deposits	716,666	500,407
	<u>1,287,209</u>	<u>1,359,746</u>
Less: Due above 12 months	<u>(300,000)</u>	<u>(500,000)</u>
Total	<u><u>987,209</u></u>	<u><u>859,746</u></u>

As at 31 December 2025, deposits from customers represented the deposits placed in Zhaojin Finance, a subsidiary of the Group. The deposit interest rates vary from 0.7500% to 4.2625% (2024:0.5500% to 3.500%) per annum for local currency (RMB). Except for the time deposits with maturity dates from 29 January 2026 to 8 November 2027, deposits will be repaid upon the demand and notice of the customers.

The balances due to related parties included in deposits from customers are as follows:

	2025 RMB'000	2024 RMB'000
Amounts due to related parties:		
Zhaojin Group	402,494	663,193
Subsidiaries and associates of Zhaojin Group	381,510	693,882
Associates and joint venture of the Group	63,254	1
Total	<u><u>847,258</u></u>	<u><u>1,357,076</u></u>

38. OTHER LONG-TERM LIABILITIES

	2025 RMB'000	2024 RMB'000
Instalment for the purchase of long-term assets	1,717,036	1,858,691
Non-current financial liability	<u>104,810</u>	<u>–</u>
Current portion	259,845	248,254
Non-current	<u>1,562,001</u>	<u>1,610,437</u>
Total	<u><u>1,821,846</u></u>	<u><u>1,858,691</u></u>

39. SHARE CAPITAL

	2025 RMB'000	2024 RMB'000
Registered, issued and fully paid:		
660,837,607 (2024: 660,837,607) domestic shares of RMB1.00 each	660,838	660,838
2,881,555,597 (2024: 2,741,555,597) H shares of RMB1.00 each	<u>2,881,555</u>	<u>2,741,555</u>
Total	<u><u>3,542,393</u></u>	<u><u>3,402,393</u></u>

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

Domestic shares:

	Number of shares in issue	Share capital RMB'000
As at 31 December 2024	660,837,607	660,838
As at 31 December 2025	<u><u>660,837,607</u></u>	<u><u>660,838</u></u>

H shares:

	Number of shares in issue	Share capital RMB'000
As at 31 December 2024	2,741,555,597	2,741,555
Placing of new H shares (<i>Note a</i>)	140,000,000	140,000
As at 31 December 2025	<u><u>2,881,555,597</u></u>	<u><u>2,881,555</u></u>

Note:

- a. On 24 March 2025, an aggregate of 140,000,000 placing shares have been placed at the placing price of HKD14.16 per placing share. The net proceeds approximated to HKD1,970,337,000 (equivalent to RMB1,818,286,000).

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40. PERPETUAL CAPITAL INSTRUMENTS

On 25 April 2023, and 27 November 2023, the Company issued perpetual capital instruments to institutional investors in the PRC interbank bond market and on the Shanghai Stock Exchange with par value of RMB1,000,000,000 at a fixed initial distribution rate of 3.55% per annum, and RMB1,000,000,000 at a fixed initial distribution rate of 3.44% per annum, respectively. On 15 October 2021 and 29 December 2022, the Company issued a perpetual private placement bond through China Life Insurance Company Limited with par value of RMB2,000,000,000 at a fixed initial distribution rate of 4.70% per annum and RMB1,000,000,000 at a fixed initial distribution rate of 4.22% per annum, respectively. On 20 December 2023, the Company issued perpetual capital instruments to institutional investors in the PRC interbank bond market, including (i) type one: a par value of RMB500,000,000 at a fixed initial distribution rate of 3.22% per annum for a term of 2+N years; and (ii) type two: a par value of RMB500,000,000 at a fixed initial distribution rate of 3.45% per annum for a term of 3+N years. On 22 August 2024, the Company issued perpetual capital instruments to institutional investors in the PRC interbank bond market with par value of RMB1,000,000,000 at a fixed initial distribution rate of 2.27% per annum. On 11 December 2025, the Company issued perpetual capital instruments to institutional investors on the Shanghai Stock Exchange with par value of RMB800,000,000 at a fixed initial distribution rate of 2.20% per annum. On 17 April 2025, 21 November 2025, and 15 December 2025, the Company repaid the perpetual capital instruments issued in 2023 with par value of RMB2,500,000,000 in aggregate. As of December 31, 2025, the total balance of perpetual capital instruments was RMB5,300,643,000.

The perpetual capital Instruments have no fixed maturity dates and are callable only at the Company's option.

For the perpetual private placement bond issued in 2021 and 2022, on the fifth and each of the subsequent distribution payment dates of the perpetual capital instruments, and the Company is entitled to redeem the perpetual capital instruments at par value together with any accrued, unpaid or deferred coupon distribution payments. If the Company does not exercise the right of redemption, from the beginning of the first six years of distribution bearing, the coupon distribution rate will be reset every five years to a percentage per annum equal to the sum of (a) the initial spread, (b) the five-year China Government Bond rate, and (c) a margin of 3%. While any coupon distribution payments are unpaid or deferred, the Company cannot declare or pay dividends or reduce the registered capital of the Company.

40. PERPETUAL CAPITAL INSTRUMENTS – *continued*

There are two types of perpetual capital instruments issued in 2023. For type one, on the third and each of the subsequent distribution payment dates of the perpetual capital instruments, the Company is entitled to redeem the perpetual capital instruments at par value together with any accrued, unpaid or deferred coupon distribution payments. If the Company does not exercise the right of redemption, from the beginning of the first three years of distribution payment, the coupon distribution rate will be reset every two years to a percentage per annum equal to the sum of (a) the initial spread, (b) the two-year China Government Bond rate, and (c) a margin of 3%. The Company issued this type of perpetual capital instruments with a par value of RMB2.5 billion in aggregate. For type two, on the fourth and each of the subsequent distribution payment dates of the perpetual capital instruments, the Company is entitled to redeem the perpetual capital instruments at par value together with any accrued, unpaid or deferred coupon distribution payments. If the Company does not exercise the right of redemption, from the beginning of the first four years of distribution payment, the coupon distribution rate will be reset every three years to a percentage per annum equal to the sum of (a) the initial spread, (b) the three-year China Government Bond rate, and (c) a margin of 3%. The Company issued this type of perpetual capital instruments with a par value of RMB0.5 billion in aggregate. While any coupon distribution payments are unpaid or deferred, the Company cannot declare or pay dividends or reduce the registered capital of the Company.

For the perpetual capital instruments issued in 2024, on the third and each of the subsequent distribution payment dates of the perpetual capital instruments, the Company is entitled to redeem the perpetual capital instruments at par value together with any accrued, unpaid or deferred coupon distribution payments. If the Group does not exercise the right of redemption, from the beginning of the first four years of distribution, the coupon distribution rate will be reset every three years to a percentage per annum equal to the sum of (a) the initial spread, (b) the three-year China Government Bond rate, and (c) a margin of 3%. While any coupon distribution payments are unpaid or deferred, the Company cannot declare or pay dividends or reduce the registered capital of the Company.

For the perpetual corporate bond issued in 2025, on the fourth and each of the subsequent distribution payment dates of the perpetual capital instruments, the Company is entitled to redeem the perpetual capital instruments at par value together with any accrued, unpaid or deferred coupon distribution payments. If the Company exercises its renewal option, from the beginning of the first four years of distribution payment, the coupon distribution rate will be reset every three years to a percentage per annum equal to the sum of (a) the initial spread, (b) the three-year China Government Bond rate, and (c) a margin of 3%. The Company issued this perpetual capital instrument with a par value of RMB0.8 billion in aggregate. While any coupon distribution payments are unpaid or deferred, the Company cannot declare or pay dividends or reduce the registered capital of the Company.

Pursuant to the terms of perpetual capital instruments, and the Company has no contractual obligations to repay their principal or to pay any coupon distribution. The perpetual capital instruments do not meet the definition of financial liabilities according to HKAS 32 Financial Instruments: Presentation and are classified as equity and subsequent distribution declared will be treated as distribution to equity owners.

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41. RESERVES

The amounts of the Group's reserves and the movements therein for the current year are presented in the consolidated statement of changes in equity.

STATUTORY RESERVES

In accordance with the articles of association of the Company approved by the relevant government authorities on 16 April 2004, the net profit after tax of the Company for the purpose of profit distribution will be deemed to be the lesser of (i) the net profit determined in accordance with PRC GAAP and (ii) the net profit determined in accordance with HKFRSs. Under the PRC Company Law and the Company's articles of association, the net profit after tax can only be distributed as dividends after allowance has been made for the following:

- (i) Making up prior years' cumulative losses, if any.
- (ii) Allocations to the statutory common reserve fund of at least 10% of the profit after tax, until the fund aggregates 50% of the Company's share capital. For the purpose of calculating the transfer to the reserve, the profit after tax shall be the amount determined under PRC GAAP. The transfer to this reserve must be made before any distribution of dividends to shareholders.

The statutory common reserve fund can be used to offset previous years' losses, if any, and part of the statutory common reserve fund can be capitalised as the Company's share capital, provided that the remaining amount of such reserve after the capitalisation shall not be less than 25% of the share capital of the Company.

- (iii) Allocations to the discretionary common reserve if approved by the shareholders.

The above reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

For dividend purposes, the amount which the Company and its subsidiaries can legally distribute by way of a dividend is determined with reference to their profits available for distribution as reflected in the respective PRC statutory financial statements which are prepared in accordance with PRC GAAP. These profits differ from those reflected in the financial statements which are prepared in accordance with HKFRSs.

42. BUSINESS COMBINATION

(a) ACQUISITION OF SDZQ

Previously, the Company indirectly held a 41% equity interest in SDZQ, (formerly known as: Shandong Jiuzhuang Enterprise Management Co., Ltd.), which was then a subsidiary of Jin's Bonanza (Resource) Holding Limited and an associate of the Company, specialising in investment holding. On 7 January 2025, the Group acquired the remaining 59% equity interest in SDZQ from its then other shareholders. The acquisition was made as part of the Group's strategy to expand its business and to improve the overall profitability of its operation.

SDZQ is an investment holding company, whose primary investment is in Yantai Jinzhi Mining Co., Ltd. ("JZKY", formerly known as Shandong Wucaolong Investment Co., Ltd.), a gold mine, with an 85% equity interest therein. The Group has elected to measure the non-controlling interest in JZKY at the non-controlling interest's proportionate share of JZKY's identifiable net assets.

For the equity investment in the associate previously held by the Company before the acquisition date, it was calculated in accordance with its fair value as of the acquisition date. The difference between the fair value and its book value was recognised as investment income with an amount approximating to RMB49,574,000.

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42. BUSINESS COMBINATION – *continued*

(a) ACQUISITION OF SDZQ – *continued*

The fair values of the identifiable assets and liabilities of SDZQ as at the date of acquisition were as follows:

	<i>Notes</i>	Fair value recognised on acquisition RMB'000
Property, plant and equipment	<i>13</i>	210,125
Other intangible assets	<i>16</i>	1,131,959
Right-of-use assets	<i>14(a)</i>	6,338
Inventories		638
Prepayments, other receivables and other assets		29,315
Cash and cash equivalents		191,603
Trade and notes payables		(100)
Other payables and accruals		(183,169)
Interest-bearing bank and other borrowings		(369,412)
Tax payable		(74)
Current portion of other long-term liabilities		(8,500)
Other long-term liabilities		(45,144)
Deferred tax liabilities	<i>22</i>	(255,890)
Total identifiable net assets at fair value		707,689
Non-controlling interests		(91,168)
Fair value of previously held equity investment in associates		(218,053)
Satisfied by cash		<u>398,468</u>

42. BUSINESS COMBINATION – *continued*(a) ACQUISITION OF SDZQ – *continued*

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration	(398,468)
Cash and bank balances acquired	191,603
Net outflow of cash and cash equivalents included in cash flows from investing activities	(206,865)
Transaction costs of the acquisition included in cash flows from operating activities	–
Total net cash outflow	<u>(206,865)</u>

SDZQ has not started production yet and no revenue was recognized during the year. The combination took place at the beginning of the year, and since the acquisition, SDZQ caused loss of RMB45,766,000 to the consolidated profit for the year ended 31 December 2025.

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) MAJOR NON-CASH TRANSACTIONS

The Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,696,000 and RMB2,696,000, respectively, in respect of lease arrangements for office (2024: RMB58,500,000 and RMB58,500,000).

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43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS – *continued*

(b) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bank and other loans RMB'000	Lease liabilities RMB'000	Corporate bonds RMB'000	Interest payables included in other payables and accruals RMB'000
At 1 January 2025	12,984,719	70,668	6,995,976	144,680
Changes from financing cash flows	(1,269,489)	(15,915)	–	(520,737)
Foreign exchange Movement	–	116	–	–
New lease	–	2,696	–	–
Interest expense	–	3,938	1,442	527,027
Increase arising from acquisition of subsidiaries	–	–	–	1,966
At 31 December 2025	<u>11,715,230</u>	<u>61,503</u>	<u>6,997,418</u>	<u>152,936</u>

	Bank and other loans RMB'000	Lease liabilities RMB'000	Corporate bonds RMB'000	Interest payables included in other payables and accruals RMB'000
At 1 January 2024	9,767,317	23,787	7,995,774	170,691
Changes from financing cash flows	3,217,402	(16,264)	(1,002,000)	(595,832)
Foreign exchange Movement	–	(29)	–	–
New lease	–	58,500	–	–
Interest expense	–	3,968	2,202	569,821
Increase arising from acquisition of subsidiaries	–	706	–	–
At 31 December 2024	<u>12,984,719</u>	<u>70,668</u>	<u>6,995,976</u>	<u>144,680</u>

43. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS – *continued*

(c) TOTAL CASH OUTFLOW FOR LEASES

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within financing activities	15,915	16,264
Within operating activities	3,938	3,968
Total	<u>19,853</u>	<u>20,232</u>

44. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for:		
– Property, plant and equipment	1,457,122	771,204
– Commitment for potential acquisitions	1,559,773	2,235,940
Total	<u>3,016,895</u>	<u>3,007,144</u>

Commitments due to related parties are as follows:

	2025 RMB'000	2024 RMB'000
Amounts due to related parties	<u>9,968</u>	<u>560,020</u>

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45. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	2025 RMB'000	2024 RMB'000
Nature of relationships/transactions		
(i) Zhaojin Group:		
Payment of rental of land use rights	7,145	6,859
Rental income	3,406	3,406
Loans to related parties	3,710,000	6,630,183
Increase/(decrease) in deposits from customers, net	(260,699)	11,455
Interest expense on deposits from customers	19,626	15,180
Interest income from loans to related parties	<u>4,584</u>	<u>2,907</u>
(ii) Subsidiaries and associates of Zhaojin Group:		
Sales of silver	67,201	72,453
Sales of sulphur concentrate	–	1,745
Sales of finished gold	101,497	–
Sales of gold concentrates	312,755	–
Sales of gold materials	<u>24,246</u>	<u>8,677</u>
Fees for refining services	5,627	3,889
Brokerage service fees	5,372	2,813
Purchases of cyanide tailings	36,096	59,946
Purchases of gold concentrates	<u>106,611</u>	<u>30,852</u>
Provision of informatization services	25,598	12,440
Provision of exploration services	4,697	261
Purchases of membrane assembly parts and equipment, and provision of services of water treatment and steel structure engineering	<u>59,295</u>	<u>9,762</u>
Rental income	2,921	1,928
Loans to related parties	21,470,295	19,770,697
Interest income from loans to related parties	44,095	48,217
Increase/(decrease) in deposits from customers, net	(312,372)	14,691
Interest expense on deposits from customers	2,748	4,461
Bill discounting	120,000	240,000
Interest income from bill discounting service	<u>1,816</u>	<u>3,738</u>

45. RELATED PARTY TRANSACTIONS – *continued*

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year: – *continued*

	2025 RMB'000	2024 RMB'000
Nature of relationships/transactions – <i>continued</i>		
(iii) Associate – Wenzhou Changfeng Mine Engineering Company Limited: Purchases of engineering services	<u>997,226</u>	<u>769,544</u>
(iv) Joint venture – Zhong Rui: (Decrease)/increase in deposits from customers, net Purchases of equipment and services	<u>–</u> <u>212</u>	<u>(226)</u> <u>622</u>
(v) Non-controlling shareholder of a subsidiary – No.3 Exploration Institute: Purchase of engineering services Purchase of exploration, environmental governance and related technical services	<u>18,559</u> <u>8,751</u>	<u>2,941</u> <u>20,490</u>

The directors consider that the sales, purchases and other transactions were undertaken on commercial terms similar to those offered to/by unrelated customers/suppliers in the ordinary course of business of the relevant companies.

- (b) Outstanding balances with related parties:
- (i) Details of the Group's loans receivable due from related parties as at the end of the reporting period are included in note 23 to the financial statements.
- (ii) Details of the Group's trade balances with related parties as at the end of the reporting period are disclosed in notes 27 and 31 to the financial statements.
- (iii) Details of the Group's non-trade balances with related parties as at the end of the reporting period are disclosed in notes 28 and 32 to the financial statements.

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45. RELATED PARTY TRANSACTIONS – *continued*

(c) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	7,907	9,243
Post-employment benefits	<u>482</u>	<u>730</u>
Total compensation paid to key management personnel	<u><u>8,389</u></u>	<u><u>9,973</u></u>

Further details of directors' emoluments are included in note 9 to the financial statements.

(d) Connected transactions

The transactions disclosed in items (a)(i) and (a)(ii) above also constitute connected transactions and/or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

46. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

FINANCIAL ASSETS

	2025				
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
		Debt investments	Equity investments		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and notes receivables	-	276,706	-	152,233	428,939
Financial assets included in other receivables	-	-	-	410,653	410,653
Financial assets at fair value through profit or loss	2,858,781	-	-	-	2,858,781
Equity investments designated at fair value through other comprehensive income	-	-	177,587	-	177,587
Financial assets measured at amortised cost	-	-	-	573,388	573,388
Loans receivable	-	-	-	2,219,870	2,219,870
Term deposits	-	-	-	926,217	926,217
Pledged deposits	-	-	-	621,218	621,218
Financial assets included in other long-term assets	650,072	-	-	-	650,072
Total	3,508,853	276,706	177,587	4,903,579	8,866,725

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46. FINANCIAL INSTRUMENTS BY CATEGORY – *continued*

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: – *continued*

FINANCIAL LIABILITIES

	2025		Total RMB'000
	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	
Trade and notes payables	–	916,078	916,078
Financial liabilities included in other payables and accruals	–	2,173,579	2,173,579
Lease liabilities (Non-current portion)	–	50,449	50,449
Interest-bearing bank and other borrowings	–	11,715,230	11,715,230
Corporate bonds	–	6,997,418	6,997,418
Deposits from customers	–	1,287,209	1,287,209
Other long-term liabilities (including current portion)	104,810	1,717,036	1,821,846
	<u>104,810</u>	<u>24,856,999</u>	<u>24,961,809</u>
Total	<u>104,810</u>	<u>24,856,999</u>	<u>24,961,809</u>

46. FINANCIAL INSTRUMENTS BY CATEGORY – *continued*

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: – *continued*

FINANCIAL ASSETS

	2024				
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
		Debt investments	Equity investments		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Trade and notes receivables	–	16,569	–	159,405	175,974
Financial assets included in other receivables	–	–	–	616,679	616,679
Financial assets at fair value through profit or loss	1,353,614	–	–	–	1,353,614
Equity investments designated at fair value through other comprehensive income	–	–	564,344	–	564,344
Financial assets measured at amortised cost	–	–	–	253,418	253,418
Loans receivable	–	–	–	2,101,448	2,101,448
Term deposits	–	–	–	627,707	627,707
Pledged deposits	–	–	–	625,805	625,805
Financial assets included in other long-term assets	187,489	–	–	–	187,489
Total	1,541,103	16,569	564,344	4,384,462	6,506,478

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46. FINANCIAL INSTRUMENTS BY CATEGORY – *continued*

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: – *continued*

FINANCIAL LIABILITIES

	2024		Total RMB'000
	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	
Trade and notes payables	–	825,718	825,718
Financial liabilities included in other payables and accruals	–	1,821,327	1,821,327
Lease liabilities (Non-current portion)	–	58,479	58,479
Interest-bearing bank and other borrowings	–	12,984,719	12,984,719
Corporate bonds	–	6,995,976	6,995,976
Deposits from customers	–	1,359,746	1,359,746
Other long-term liabilities (including current portion)	–	1,858,691	1,858,691
		<u> </u>	<u> </u>
Total	–	<u>25,904,656</u>	<u>25,904,656</u>

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	31 December 2025 RMB'000	31 December 2024 RMB'000	31 December 2025 RMB'000	31 December 2024 RMB'000
Financial assets				
Term deposits, non-current portion	7,457	423,377	7,572	440,226
Loans receivable, non-current portion	238,013	219,516	240,669	219,422
Total	245,470	642,893	248,241	659,648
Financial liabilities				
Interest-bearing bank and other borrowings, non-current portion	4,113,480	5,411,072	4,910,365	5,279,400
Corporate bonds	6,997,418	6,995,976	7,021,887	7,072,760
Total	11,110,898	12,407,048	11,932,252	12,352,160

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, the current portion of term deposits, trade and notes receivables, trade and notes payables, financial assets included in prepayments and other receivables, financial liabilities included in other payables and accruals, the current portion of deposits from customers, the current portion of loans receivable, the current portion of interest-bearing bank and other borrowings and the current portion of other long-term liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

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47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS – *continued*

The fair values of the non-current portion of term deposits, non-current portion of loans receivable and non-current portion of interest-bearing bank and other borrowings and other long-term liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2025 were assessed to be insignificant.

The fair values of listed equity and funds investments are based on quoted market prices.

The Group invests in unlisted investments, which represent wealth management products issued by funds in the Chinese mainland and Hong Kong. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group has entered into an income swap agreement with the non-controlling shareholder of FNJL and the swap recorded as financial assets at fair value through profit or loss, included in other long-term assets. The management adopted the discounted cash flow method (specifically dividend discount model) in the valuation. The payable under the income swap agreement is recorded as financial liabilities through profit or loss, included in other long-term liabilities. The amount is contingent on the average gold selling price during the extended entrusted operation period from 7 June 2027 to 6 December 2029 and determined using the discounted cash flow method, applying a discount rate that reflects the Group's borrowing rate.

For the fair value of the debt investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS – *continued*

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025 and 2024:

	Valuation technique	Significant unobservable Input	Range	Sensibility of fair value to the input
Financial assets included in other long-term assets	DCF	Discount rate	12% (2024: 14%)	1% (2024: 1%) increase/decrease in discount rate would result in decrease/increase in fair value by RMB11,309,000 and RMB10,872,000 (2024: by RMB178,000 and RMB183,000)
Financial liabilities included in other long-term liabilities	DCF	Average gold selling price during the extended entrusted operation period	RMB700	Based on a benchmark of RMB700, for every RMB50 increase/(decrease) in the average gold selling price, the payable will increase/(decrease) RMB20 million

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47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS – *continued*

FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through other comprehensive income included in trade and notes receivables	–	276,706	–	276,706
Equity investments designated at fair value through other comprehensive income	177,587	–	–	177,587
Financial assets at fair value through profit or loss	2,430,745	428,036	–	2,858,781
Financial assets included in other long-term assets	–	–	650,072	650,072
Total	2,608,332	704,742	650,072	3,963,146

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS – *continued*FAIR VALUE HIERARCHY – *continued*

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:
– *continued*

Assets measured at fair value: – *continued*

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through other comprehensive income included in trade and notes receivables	–	16,569	–	16,569
Equity investments designated at fair value through other comprehensive income	564,344	–	–	564,344
Financial assets at fair value through profit or loss	1,076,551	277,063	–	1,353,614
Financial assets included in other long-term assets	–	–	187,489	187,489
Total	1,640,895	293,632	187,489	2,122,016

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB'000	2024 RMB'000
Financial assets included in other long-term assets at 1 January	187,489	216,980
Addition	184,937	–
Total gain/(loss) recognised in the statement of profit or loss	277,646	(29,491)
At 31 December	650,072	187,489

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47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS – *continued*

FAIR VALUE HIERARCHY – *continued*

Liabilities measured at fair value:

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
financial liabilities included in other long-term liabilities	–	–	104,810	104,810

The Group did not have any financial liabilities measured at fair value as at 31 December 2024.

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB'000	2024 RMB'000
Financial liabilities included in other long-term liabilities at 1 January	–	–
Addition	34,937	–
Total losses recognised in the statement of profit or loss	69,873	–
At 31 December	104,810	–

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (31 December 2024: nil).

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS – *continued*FAIR VALUE HIERARCHY – *continued*

Assets for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using		
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Total RMB'000
Term deposits, non-current portion	-	7,572	7,572
Loans receivable, non-current portion	-	240,669	240,669
Total	-	248,241	248,241

As at 31 December 2024

	Fair value measurement using		
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Total RMB'000
Term deposits, non-current portion	-	440,226	440,226
Loans receivable, non-current portion	-	219,422	219,422
Total	-	659,648	659,648

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47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS – *continued*

FAIR VALUE HIERARCHY – *continued*

Liabilities for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using		
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Total RMB'000
Interest-bearing bank, and other borrowings, non-current portion	–	4,910,365	4,910,365
Corporate bonds	2,008,928	5,012,959	7,021,887
Total	2,008,928	9,923,324	11,932,252

As at 31 December 2024

	Fair value measurement using		
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Total RMB'000
Interest-bearing bank, and other borrowings, non-current portion	–	5,279,400	5,279,400
Corporate bonds	3,026,443	4,046,317	7,072,760
Total	3,026,443	9,325,717	12,352,160

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives and financial liabilities at fair value through profit or loss, comprise bank loans, corporate bonds, other interest-bearing loans, and cash and time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and notes receivables and trade and notes payables, which arise directly from its operations. In addition, the Group has financial instruments such as equity investments at fair value through profit or loss, which arise directly from its investment activities.

The main risks arising from the Group's financial instruments were liquidity risk, interest rate risk, commodity price risk, foreign currency risk, credit risk and equity price risk. The directors review and agree policies for managing each of these risks and they are summarised below.

LIQUIDITY RISK

The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed facilities from banks to meet its commitments over the foreseeable future in accordance with its strategic plan.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	On demand RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
2025					
Lease liabilities	–	12,732	35,129	37,685	85,546
Interest-bearing bank and other borrowings	–	7,752,106	1,528,279	3,242,569	12,522,954
Trade and notes payables	885,942	30,136	–	–	916,078
Financial liabilities included in other payables and accruals	1,713,721	420,375	–	–	2,134,096
Corporate bonds	–	1,190,800	6,244,200	–	7,435,000
Deposits from customers	–	987,769	338,923	–	1,326,692
Other long-term liabilities (including current portion)	–	271,998	1,026,667	950,693	2,249,358
Total	<u>2,599,663</u>	<u>10,665,916</u>	<u>9,173,198</u>	<u>4,230,947</u>	<u>26,669,724</u>

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – *continued*

LIQUIDITY RISK – *continued*

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows: – *continued*

	On demand RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
2024					
Lease liabilities	–	14,999	34,770	43,844	93,613
Interest-bearing bank and other borrowings	–	7,840,063	3,128,184	3,037,749	14,005,996
Trade and notes payables	649,280	176,438	–	–	825,718
Financial liabilities included in other payables and accruals	1,471,173	330,347	–	–	1,801,520
Corporate bonds	–	2,193,100	5,268,500	–	7,461,600
Deposits from customers	–	859,922	519,631	–	1,379,553
Other long-term liabilities (including current portion)	–	263,498	1,034,779	1,163,579	2,461,856
Total	<u>2,120,453</u>	<u>11,678,367</u>	<u>9,985,864</u>	<u>4,245,172</u>	<u>28,029,856</u>

INTEREST RATE RISK

The Group's exposure to interest rate risk relates primarily to the Group's cash holdings, interest-bearing bank and other borrowings and corporate bonds. The Group manages its interest rate exposure from certain cash holdings through placing them into appropriate short-term deposits at a mixture of variable or fixed rates and manages the exposure from all of its interest-bearing loans through the use of fixed rates or floating rates.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – *continued*INTEREST RATE RISK – *continued*

The following table demonstrates the sensitivity to a reasonably possible change in RMB interest rate, with all other variables held constant, of the Group's profit after tax through the impact on floating rate borrowings.

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit after tax RMB'000
2025		
RMB	100	(44,179)
RMB	(100)	44,179
2024		
RMB	100	(39,166)
RMB	<u>(100)</u>	<u>39,166</u>

COMMODITY PRICE RISK

The Group's exposure to price risk relates principally to the market price fluctuations on gold and copper which can affect the Group's results of operations.

During the year, under certain circumstances, the Group entered into Au (T+D) arrangements, which substantially are forward commodity contracts, on the SGE to hedge potential price fluctuations of gold. Under those arrangements, the Group can forward buy or sell gold at the current day's price by depositing 10% of the total transaction amount. Subsequently, it can close the deal by either physically delivering the gold or entering into an offsetting arrangement. There is no restriction imposed on the settlement period. During the year, the Group has not entered into any long position under the Au(T+D) framework.

The Group also entered into gold forward contracts and copper cathode forward contracts on the Shanghai Futures Exchange for the sale of gold and copper.

The price range of the forward commodity contracts is closely monitored by management. Accordingly, a reasonable possible fluctuation of 10% in commodity prices would have no significant impact on the Group's profit and equity for the year.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – *continued*

FOREIGN CURRENCY RISK

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rates against United States dollar, Hong Kong dollar, Australian dollar, Canadian dollar, Great British pound, Euro, Sierra Leonean Leone, West African CFA Franc sterling, Lao Kip and Kazakhstani Tenge with all other variables held constant, of the Group's profit before tax and the Group's equity.

	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in profit before tax RMB'000	increase/ (decrease) in equity* RMB'000
2025			
If RMB weakens against USD	-10%	21,136	-
If RMB strengthens against USD	10%	(21,136)	-
If RMB weakens against HKD	-10%	13,239	-
If RMB strengthens against HKD	10%	(13,239)	-
If RMB weakens against AUD	-10%	(18,498)	-
If RMB strengthens against AUD	10%	18,498	-
If RMB weakens against CAD	-10%	2	-
If RMB strengthens against CAD	10%	(2)	-
If RMB weakens against GBP	-10%	635	-
If RMB strengthens against GBP	10%	(635)	-
If RMB weakens against EUR	-10%	-	-
If RMB strengthens against EUR	10%	-	-
If RMB weakens against SLL	-10%	(35)	-
If RMB strengthens against SLL	10%	35	-
If RMB weakens against XOF	-10%	19,260	-
If RMB strengthens against XOF	10%	(19,260)	-
If RMB weakens against LAK	-10%	1	-
If RMB strengthens against LAK	10%	(1)	-
If RMB weakens against KZT	-10%	-	-
If RMB strengthens against KZT	10%	-	-

* Excluding retained profits

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – *continued*

CREDIT RISK

The Group has no significant credit risk with customers since most of the gold sales are made through the SGE. Besides, the Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. As disclosed in note 27, the Group seeks to maintain strict control over its outstanding receivables and senior management regularly reviews the aging balances of trade receivables.

The Group's notes receivables are guaranteed by banks and the risk for default in payment is minimal. The carrying amounts of cash and cash equivalents, trade and notes receivables, financial assets in other receivables, pledged deposits and loans receivable represent the Group's maximum exposure to credit risk attributable to its financial assets.

Substantial amounts of the Group's cash and cash equivalents are held in well-known financial institutions located in the Chinese mainland and Hong Kong, which management believes are of high credit quality.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on aging information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2025. For listed debt investments, the Group also monitors them by using external credit ratings. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	–	–	–	169,206	169,206
Financial assets included in prepayments, deposits and other receivables					
– Normal**	209,134	–	–	–	209,134
– Doubtful**	–	241,490	225,134	–	466,624
Loans receivable	2,271,001	15,757	463,726	–	2,750,484
Total	<u>2,480,135</u>	<u>257,247</u>	<u>688,860</u>	<u>169,206</u>	<u>3,595,448</u>

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – *continued*

CREDIT RISK – *continued*

Maximum exposure and year-end staging – *continued*

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	-	-	-	177,284	177,284
Financial assets included in prepayments, deposits and other receivables					
– Normal**	477,908	-	-	-	477,908
– Doubtful**	-	130,102	197,374	-	327,476
Loans receivable	<u>1,737,394</u>	<u>527,076</u>	<u>458,613</u>	<u>-</u>	<u>2,723,083</u>
Total	<u><u>2,215,302</u></u>	<u><u>657,178</u></u>	<u><u>655,987</u></u>	<u><u>177,284</u></u>	<u><u>3,705,751</u></u>

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 27 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Since the Group trades only with the SGE and recognised and creditworthy third parties, there are no significant concentrations of credit risk within the Group.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 27 to the financial statements.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – *continued*

EQUITY PRICE RISK

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group was exposed to equity price risk arising from individual listed equity investments classified as Equity investments designated at fair value through other comprehensive income (note 21) and equity investments at fair value through profit or loss (note 29) as at 31 December 2025 and 2024. The Group's listed equity investments are listed on the Shanghai and Shenzhen Stock Exchanges, the Australian Securities Exchange, Hong Kong, London, New York and Toronto Stock Exchanges and are valued at quoted market prices at the end of the reporting period.

The market equity indices (rounded down) for the following stock exchanges, at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

	31 December 2025	High/low 2025	31 December 2024	High/low 2024
Shanghai – A Share Index	3,969	4,030/3,097	3,352	3,490/2,702
Shenzhen – A Share Index	2,648	2,668/1,859	2,047	2,232/1,499
London – FT250 Index	22,470	22,558/17,765	20,623	21,601/18,864
Australia – ASX 200 Index	8,714	9,095/7,343	8,159	8,495/7,347
Hong Kong – HSI Index	25,631	27,287/18,874	20,060	23,100/14,961
New York – NYSE Composite Index	22,004	22,247/17,189	19,097	20,272/16,523
New York – NASQAD 100 Index	25,250	26,120/17,090	21,012	2,2097/16,282
Toronto – TSX index	31,713	32,059/22,507	24,728	25,692/20,585

The following table demonstrates the sensitivity to every 10% change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the equity investments at fair value through other comprehensive income, the impact is deemed to be on the fair value reserve.

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – *continued*

EQUITY PRICE RISK – *continued*

2025 Investments listed in		Carrying amount of equity investments RMB'000	Increase/ (decrease) in equity price %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity* RMB'000
Australia -	Financial assets at fair value through profit or loss	286,209	10 (10)	28,621 (28,621)	- -
New York -	Financial assets at fair value through profit or loss	63,625	10 (10)	6,363 (6,363)	- -
London -	Financial assets at fair value through profit or loss	-	10 (10)	- -	- -
Shenzhen -	Financial assets at fair value through profit or loss	42,574	10 (10)	4,257 (4,257)	- -
Shanghai -	Financial assets at fair value through profit or loss	174,119	10 (10)	17,412 (17,412)	- -
Hong Kong -	Financial assets at fair value through profit or loss	1,634,590	10 (10)	163,459 (163,459)	- -
Hong Kong -	Financial assets at fair value through other comprehensive income	177,497	10 (10)	- -	17,750 (17,750)
Toronto -	Financial assets at fair value through other comprehensive income	-	10 (10)	- -	- -
Australia -	Financial assets at fair value through other comprehensive income	89	10 (10)	- -	9 (9)
Total		2,378,703	10 (10)	220,112 (220,112)	17,759 (17,759)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – *continued*

EQUITY PRICE RISK – *continued*

2024		Carrying amount of equity investments	Increase/ (decrease) in equity price	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity*
Investments listed in		RMB'000	%	RMB'000	RMB'000
Australia -	Financial assets at fair value through profit or loss	30,291	10 (10)	3,029 (3,029)	- -
New York -	Financial assets at fair value through profit or loss	45,798	10 (10)	4,580 (4,580)	- -
London -	Financial assets at fair value through profit or loss	-	10 (10)	- -	- -
Shenzhen -	Financial assets at fair value through profit or loss	29,502	10 (10)	2,950 (2,950)	- -
Shanghai -	Financial assets at fair value through profit or loss	68,339	10 (10)	6,834 (6,834)	- -
Hong Kong -	Financial assets at fair value through profit or loss	259,929	10 (10)	25,993 (25,993)	- -
Hong Kong -	Financial assets at fair value through other comprehensive income	183,891	10 (10)	- -	18,389 (18,389)
Toronto -	Financial assets at fair value through other comprehensive income	380,408	10 (10)	- -	38,041 (38,041)
Australia -	Financial assets at fair value through other comprehensive income	45	10 (10)	- -	5 (5)
Total		998,203	10 (10)	43,386 (43,386)	56,435 (56,435)

* Excluding retained profits

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48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – *continued*

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group made no change to its capital structure between 2025 and 2024.

The Group is currently funding its capital expenditure through corporate bonds, new bank borrowings and gold leasing business. Under normal circumstances, the Group monitors capital using a gearing ratio, which is net debt divided by the total equity plus net debt. The Group's policy is to maintain the gearing ratio between 20% and 60%. Net debt includes interest-bearing bank and other borrowings, deposits from customers, corporate bonds, less cash and cash equivalents. Capital represents the equity of the Group.

	2025 RMB'000	2024 RMB'000
Interest-bearing bank and other borrowings	11,715,230	12,984,719
Deposits from customers	1,287,209	1,359,746
Corporate bonds	6,997,418	6,995,976
Less: Cash and cash equivalents	<u>(1,824,913)</u>	<u>(2,029,825)</u>
Net debt	18,174,944	19,310,616
Total equity	<u>29,097,465</u>	<u>25,192,291</u>
Total equity and net debt	<u><u>47,272,409</u></u>	<u><u>44,502,907</u></u>
Gearing ratio	<u><u>38.4%</u></u>	<u><u>43.4%</u></u>

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	8,549,930	8,120,781
Investment properties	85,804	89,114
Right-of-use assets	280,371	266,672
Goodwill	84,336	84,336
Other intangible assets	2,053,507	1,974,971
Investments in subsidiaries	17,184,022	15,637,731
Investment in an associate	247,937	159,937
Loans receivable	600,000	1,400,000
Long-term deposits	–	5,906
Term deposits	–	1,312,920
Deferred tax assets	221,223	158,744
Other long-term assets	1,071,567	642,616
	<u>30,378,697</u>	<u>29,853,728</u>
CURRENT ASSETS		
Inventories	1,800,895	2,492,529
Trade and notes receivables	27,061	6,154
Prepayments, other receivables and other assets	3,208,795	3,110,947
Financial assets at fair value through profit or loss	117,289	61,180
Pledged deposits	235,304	244,571
Loans receivable	5,405,781	7,048,394
Term deposits	1,297,000	65,000
Cash and cash equivalents	217,055	410,839
	<u>12,309,180</u>	<u>13,439,614</u>

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31 DECEMBER 2025

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY – *continued*

Information about the statement of financial position of the Company at the end of the reporting period is as follows: – *continued*

	31 December 2025 RMB'000	31 December 2024 RMB'000
CURRENT LIABILITIES		
Trade and notes payables	314,495	412,708
Other payables and accruals	1,359,701	818,897
Interest-bearing bank and other borrowings	4,152,230	5,709,904
Corporate bonds	999,884	1,999,602
Current portion of other long-term liabilities	2,214,529	1,058,743
Provisions	401	537
	<u>9,041,240</u>	<u>10,000,391</u>
NET CURRENT ASSETS	<u>3,267,940</u>	<u>3,439,223</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>33,646,637</u>	<u>33,292,951</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	1,345,575	3,337,525
Corporate bonds	5,997,534	4,996,374
Deferred income	19,599	19,321
Provisions	1,422	13,768
Other long-term liability	393,750	359,944
Provisions	12,362	–
Lease liabilities	45,776	55,877
	<u>7,816,018</u>	<u>8,782,809</u>
Total non-current liabilities	<u>7,816,018</u>	<u>8,782,809</u>
Net assets	<u><u>25,830,619</u></u>	<u><u>24,510,142</u></u>
EQUITY		
Share capital	3,542,393	3,402,393
Perpetual capital instruments (<i>note 40</i>)	5,300,643	7,025,278
Reserves (<i>note (a)</i>)	16,987,583	14,082,471
	<u>25,830,619</u>	<u>24,510,142</u>
TOTAL EQUITY	<u><u>25,830,619</u></u>	<u><u>24,510,142</u></u>

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY – *continued*

Information about the statement of financial position of the Company at the end of the reporting period is as follows: – *continued*

Note:

(a) A summary of the Company's reserves is as follows:

	Capital Reserve RMB'000	Special reserve and other reserve RMB'000	Statutory reserves RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	3,062,984	71,147	1,463,052	7,145,751	11,742,934
Total comprehensive income for the year	448	–	–	1,308,508	1,308,956
Issue of shares	1,436,145	–	–	–	1,436,145
Accrued distribution of perpetual capital instruments	–	–	–	(269,472)	(269,472)
Transfer to reserves	–	–	128,997	(128,997)	–
2023 dividend	–	–	–	(136,092)	(136,092)
Safety production cost	–	9,820	–	(9,820)	–
At 31 December 2024 and 1 January 2025	<u>4,499,577</u>	<u>80,967</u>	<u>1,592,049</u>	<u>7,909,878</u>	<u>14,082,471</u>
Total comprehensive income for the year	74	–	–	1,643,279	1,643,353
Issue of shares	1,678,286	–	–	–	1,678,286
Accrued distribution of perpetual capital instruments	–	–	–	(239,407)	(239,407)
Transfer to reserves	–	–	164,633	(164,633)	–
2024 dividend	–	–	–	(177,120)	(177,120)
Safety production cost	–	9,062	–	(9,062)	–
At 31 December 2025	<u>6,177,937</u>	<u>90,029</u>	<u>1,756,682</u>	<u>8,962,935</u>	<u>16,987,583</u>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

50. EVENTS AFTER THE REPORTING PERIOD

On 7 February, 2026, a cage drop accident occurred in a blind shaft at the Shangzhuang mining area of the Company's subordinate Ganzhuang Gold Mine, resulting in the tragic deaths of seven individuals. Currently, various handling procedures are proceeding in an orderly manner, and relevant follow-up handling is in progress. The impact of this event on the financial statements of the Group during this year is not expected to be material.

51. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 20 March 2026.