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潼關黃金集團有限公司
Tongguan Gold Group Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 00340)

ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

- Sale volume of mine-produced gold increased from approximately 2.22 tonnes in 2024 to approximately 2.96 tonnes in 2025.
- For the year ended 31 December 2025, the Group's profit attributable to owners of the Company amounted to approximately HK\$830 million, compared to approximately HK\$211 million in 2024, representing an increase of 293%.
- The basic earnings per share for 2025 were HK18.81 cents, compared to HK5.19 cents in 2024.
- Revenue for the year ended 31 December 2025 amounted to approximately HK\$2,396 million, compared to approximately HK\$1,605 million in 2024, representing an increase of 49%.
- Final dividend of HK3.2 cents per share is proposed for the year ended 31 December 2025, reflecting our confidence in the Group's performance and our commitment in creating and delivering value to the shareholders.

The board of directors (the "Board") of Tongguan Gold Group Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (collectively known as the "Group") for the year ended 31 December 2025:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	4	2,396,218	1,604,821
Cost of sales		<u>(1,085,267)</u>	<u>(1,081,630)</u>
Gross profit		1,310,951	523,191
Other income	5	8,368	4,000
Other net gains and losses	6	(32,426)	(19,371)
Administrative and other expenses		(206,332)	(169,982)
Finance costs	7	<u>(35,226)</u>	<u>(30,821)</u>
Profit before tax	8	1,045,335	307,017
Income tax expense	9	<u>(190,152)</u>	<u>(96,879)</u>
Profit for the year		<u>855,183</u>	<u>210,138</u>
Other comprehensive income (expense), net of tax			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes of equity investments at fair value through other comprehensive income		3,680	105
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u>91,888</u>	<u>(52,695)</u>
Other comprehensive income (expense) for the year, net of tax		<u>95,568</u>	<u>(52,590)</u>
Total comprehensive income for the year		<u><u>950,751</u></u>	<u><u>157,548</u></u>

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Profit (loss) for the year attributable to:			
– Owners of the Company		830,429	211,136
– Non-controlling interests		24,754	(998)
		<u>855,183</u>	<u>210,138</u>
 Total comprehensive income (expense) for the year attributable to:			
– Owners of the Company		918,986	164,260
– Non-controlling interests		31,765	(6,712)
		<u>950,751</u>	<u>157,548</u>
 Earnings per share – Basic	<i>11</i>	HK18.81 cents	HK5.19 cents
Earnings per share – Diluted	<i>11</i>	HK18.71 cents	HK5.19 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		2,076,115	1,746,044
Right-of-use assets		73,926	49,868
Exploration and evaluation assets		2,018,846	1,308,636
Goodwill		787,554	752,017
Other intangible assets		237,373	257,175
Other financial assets		7,398	3,718
Amounts due from associates		63,935	–
Interests in associates		3,765	–
Financial assets at fair value through profit or loss		54,434	–
Other receivable and deposit	12	17,271	14,039
		<u>5,340,617</u>	<u>4,131,497</u>
Current assets			
Inventories		272,277	188,015
Trade and other receivables, deposits and prepayments	12	166,474	101,863
Restricted bank deposit		110,710	–
Cash and cash equivalents		638,491	172,329
		<u>1,187,952</u>	<u>462,207</u>
Current liabilities			
Other payables	13	743,263	484,595
Bank and other borrowings		454,132	498,199
Contract liabilities		38,310	114,237
Convertible bond		17,833	–
Lease liabilities		986	1,227
Tax payables		272,824	183,506
		<u>1,527,348</u>	<u>1,281,764</u>
Net current liabilities		<u>(339,396)</u>	<u>(819,557)</u>
Total assets less current liabilities		<u><u>5,001,221</u></u>	<u><u>3,311,940</u></u>

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Bank and other borrowings		23,083	32,397
Other payables	<i>13</i>	165,139	306,287
Contract liabilities		177,276	–
Convertible bond		17,708	–
Contingent consideration payables		53,010	–
Provision for restoration and environmental costs		16,900	16,282
Lease liabilities		771	1,754
Deferred tax liabilities		374,098	336,253
		<u>827,985</u>	<u>692,973</u>
Net assets		<u>4,173,236</u>	<u>2,618,967</u>
Capital and reserves			
Share capital		519,769	407,027
Share premium and reserves		3,469,075	2,073,724
		<u>3,988,844</u>	<u>2,480,751</u>
Equity attributable to owners of the Company		3,988,844	2,480,751
Non-controlling interests		184,392	138,216
		<u>4,173,236</u>	<u>2,618,967</u>
Total equity		<u>4,173,236</u>	<u>2,618,967</u>

Notes:

1. GENERAL INFORMATION

Tongguan Gold Group Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is at Room 2707A, 27/F., Office Tower of Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. The information of shareholders are disclosed in the directors’ report to the annual report. The Company is an investment holding company.

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in (i) gold mining operation, which is sale of mine-produced gold, including gold concentrate, gold bullion and related products, that contains of gold exploration, mining, processing and/or smelting operations; and (ii) gold recycling, which is purchasing the gold related materials, refining and sale of gold bullion. The Group’s gold mining operation and gold recycling are mainly carried out in the People’s Republic of China (the “PRC”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

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

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year had no material impact on the Group’s consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

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

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

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

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

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

HKFRS 18 Presentation and Disclosure in Financial Statements

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

HKFRS 18, and amendments to other standards, will effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provision. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income. The Group is in process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION

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

Basis of measurement and going concern assumption

The Group had net current liabilities of approximately HK\$339,396,000 at 31 December 2025 (2024: approximately HK\$819,557,000).

Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis as the directors of the Company have given careful consideration to the current and anticipated future liquidity needs of the Group. The directors of the Company have prepared a cash flow forecast covering the next 12 months from the end of reporting period. In preparing the cash flow forecast, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and the Group’s available sources of financing in assessing.

Having taken into account the above, the directors of the Company consider that the Group will have sufficient financial resources generated from operations to meet in full its working capital requirements and financial obligations as and when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

4. REVENUE AND SEGMENT REPORTING

Segment revenue and results

Information is reported internally to the board of directors of the Company (the “Board”), being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered or services provided. This is also the basis upon which the Group is organised and specifically focuses on the Group’s operating divisions.

For the gold mining operation, the information reported to the CODM is further categorised into different mining locations within the PRC, each of which is considered as a separate operating segment by the CODM. For the purpose of segment reporting, the CODM considered that the operations of different mining locations are related to the mine-produced gold business, these individual operating segments have been aggregated into a single reportable segment.

Accordingly, the Board reviews the business with the following reportable segments:

1. Gold mining operation – sale of mine-produced gold, including gold concentrate, gold bullion and related products, which contains of gold exploration, mining, processing and/or smelting operations in the PRC
2. Gold recycling – purchasing of gold related materials, refining and sale of gold bullion in the PRC

On 2 June 2025, the Company entered into a precious metals purchase agreement (“Streaming Agreement”) with Zijin Metal Company Limited (the “Buyer”), pursuant to which the Buyer agreed to advance an upfront cash payment of US\$25,000,000 in exchange for the delivery of up to 422 kg of refined gold produced from an agreed mining areas of Subei County Holecadegai Northeast Mining Co., Ltd.’s in Gansu Province over a period ending 31 December 2033.

The upfront consideration received has been recognised as a contract liability and will be recognised as revenue as gold bullion is delivered in accordance with the delivery schedule.

Under the Streaming Agreement, the transaction price allocated to the remaining unsatisfied or partially satisfied performance obligation as at 31 December 2025 is as follows:

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Within one year	30,670	–
More than one year	177,276	–
	<u>207,946</u>	<u>–</u>

Included in the gold mining operation segment revenue is revenue recognised under the Streaming Agreement of approximately HK\$29,042,000 for the year ended 31 December 2025 (2024: Nil).

The above segments have been identified on the basis of internal management reports prepared and regularly reviewed by the Board when making decisions about allocating resources and assessing performance of the Group.

The segment results represent the gross profit earned by each segment (segment revenue less segment cost of sales). Other income, other net gains and losses, administrative and other expenses, finance costs and income tax expense are not allocated to each reportable segment. This is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

The information of segment results is as follows:

For the year ended 31 December 2025

	Gold mining operation HK\$'000	Gold recycling HK\$'000	Total HK\$'000
Revenue	2,396,218	–	2,396,218
Cost of sales	<u>(1,085,267)</u>	<u>–</u>	<u>(1,085,267)</u>
Segment results	<u><u>1,310,951</u></u>	<u><u>–</u></u>	<u><u>1,310,951</u></u>

For the year ended 31 December 2024

	Gold mining operation HK\$'000	Gold recycling HK\$'000	Total HK\$'000
Revenue	1,302,774	302,047	1,604,821
Cost of sales	<u>(779,802)</u>	<u>(301,828)</u>	<u>(1,081,630)</u>
Segment results	<u><u>522,972</u></u>	<u><u>219</u></u>	<u><u>523,191</u></u>

The reportable segment results are reconciled to profit after tax of the Group as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Reportable segment results	1,310,951	523,191
<i>Unallocated income and expenses:</i>		
Other income	8,368	4,000
Other net gains and losses	(32,426)	(19,371)
Administrative and other expenses	(206,332)	(169,982)
Finance costs	(35,226)	(30,821)
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Profit before tax	1,045,335	307,017
Income tax expense	(190,152)	(96,879)
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Profit for the year	855,183	210,138
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The Group's revenue are derived from contracts with customers recognised at a point in time during the year as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
Income from gold mining operation	2,396,218	1,302,774
Income from gold recycling	–	302,047
	<hr/>	<hr/>
	2,396,218	1,604,821
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The Group recognises revenue on sale of gold products at a point in time when control of the goods has transferred, being when the goods are delivered to the customer. Transportation and other related activities that occur before customers obtain control of the related goods are considered as fulfilment activities.

As no discrete information in respect of segment assets, segment liabilities and other information is used for the assessment of performance and allocation of resources, thus no analysis of segment assets and segment liabilities is presented.

No geographical analysis is presented as the Group's revenue and profit from operations were primarily derived from operating activities in the PRC.

Information about major customers

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

	2025	2024
	HK\$'000	HK\$'000
Customer A	1,492,558	875,479
Customer B	N/A (Note)	306,986
Customer C	250,707	N/A (Note)
Customer D	248,331	N/A (Note)

Included in revenue, consist of approximately HK\$124,801,000 for the year ended 31 December 2025 (2024: approximately HK\$86,393,000) is derived from selling gold bullion in a trading platform of Shanghai Gold Exchange through a member registered in Shanghai Gold Exchange.

Note:

The corresponding revenue did not contribute more than 10% of the Group's revenue for the representative year.

5. OTHER INCOME

	2025	2024
	HK\$'000	HK\$'000
Government grants (Note)	2,318	1,917
Interest on bank deposits	5,195	1,337
Interest on loan receivable	718	719
Others	137	27
	8,368	4,000

Note:

The government grants represent subsidies from local government authorities for development scheme and salaries subsidies which were immediately recognised as other income for the year. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

6. OTHER NET GAINS AND LOSSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net foreign exchange losses	(2,147)	(1,332)
Impairment losses in respect of other receivables (<i>Note 12(c)</i>)	(17,227)	(8,795)
Impairment losses on interest in an associate	–	(3,212)
Impairment losses on amount due from an associate	–	(1,625)
Loss on disposal of property, plant and equipment	(1,257)	(3,911)
Gain on modification of other borrowing	23,933	–
Fair value gains on financial assets at fair value through profit or loss	19,547	–
Fair value changes on derivative component of convertible bond and contingent consideration payables	(55,232)	–
Others	(43)	(496)
	<u>(32,426)</u>	<u>(19,371)</u>

7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on bank and other borrowings	24,692	23,619
Interest on promissory note payable at amortised cost	4,290	6,548
Interest expenses on lease liabilities	157	654
Interest expense on contract liabilities under the Streaming Agreement	5,918	–
Interest expense on convertible bond	169	–
	<u>35,226</u>	<u>30,821</u>

8. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Directors' and chief executives' emoluments	7,946	4,107
Staff's salaries, bonus and allowances	105,514	52,810
Contributions to staff's retirement benefits schemes	7,728	7,599
	<u>121,188</u>	<u>64,516</u>
Total staff costs		
Amortisation of other intangible assets	25,745	21,028
Auditor's remuneration (<i>Note (a)</i>)	2,600	2,000
Cost of sales comprise of:		
– Cost of inventories recognised as an expense (<i>Note (b)</i>)	981,434	975,878
– Taxes and surcharges (<i>Note (c)</i>)	209,220	98,713
Depreciation charges		
– property, plant and equipment	103,833	90,081
– right-of-use assets		
– office premise and factories	1,102	1,400
– prepaid lease payments	3,646	1,406
Invalid exploration costs recognised in administrative and other expenses	2,692	39,617
	<u><u>2,692</u></u>	<u><u>39,617</u></u>

Note:

- (a) The auditor's remuneration comprised audit services and non-audit services of HK\$1,600,000 and HK\$1,000,000 respectively (2024: HK\$1,500,000 and HK\$500,000 respectively).
- (b) Costs of inventories recognised as an expense mainly include mining extraction costs and mining ore processing costs of approximately HK\$821,860,000 (2024: approximately HK\$547,440,000); amortisation and depreciation charges of approximately HK\$104,554,000 (2024: approximately HK\$84,999,000), staff costs of approximately HK\$29,941,000 (2024: approximately HK\$17,132,000) and purchase costs of gold related materials of Nil (2024: approximately HK\$301,695,000).
- (c) Taxes and surcharges mainly include resource tax of approximately HK\$85,740,000 (2024: approximately HK\$34,912,000) and forest and grassland compensation fee of approximately HK\$103,185,000 (2024: approximately HK\$53,613,000), both of which are calculated based on revenue in accordance with relevant regulations.

9. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2025 and 2024.

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

Pursuant to the Notice of the Ministry of Finance, 財政部國家稅務總局海關總署關於深入實施西部大開發戰略有關稅收政策問題的通知(財稅〔2011〕58號)(transliterated as General Administration of Customs and the State Administration of Taxation on the Issues of Preferential Taxation Policies for Further Implementing the Western Development Strategy (Cai Shui 2011 No. 58)*), from 1 January 2011, the enterprises in the western region, which engaged in encouraged industries as indicated in the 西部地區鼓勵類產業目錄 (transliterated as Catalogue of Encouraged Industries of Western Region*) and 產業結構調整指導目錄(2011年本)(修正)(transliterated as Catalogue of Industrial Structure Adjustment Guidance (2011 Revised)*) (國家發改委令2013年第21號)(transliterated as National Development and Reform Commission Order 2013 No. 21*) and which derive 70% of their operating income from the encouraged industries could apply for a tax incentive. After getting in-charge tax bureau’s approval, those enterprises could enjoy a reduced EIT rate of 15% from the statutory EIT rate of 25% for up to 2030.

On 28 October 2024, Subei County Holezadegai Northeast Mining Co., Ltd was approved by Gansu Provincial Department of Science and Technology as high technology enterprise and therefore is subject to EIT at a concession rate of 15% for three years, with effective from 1 January 2025.

* The English translation is for reference only

The amount of income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
PRC Enterprise Income Tax		
– Current year	176,152	78,532
– Under-provision in prior years	3,130	634
	<u>179,282</u>	<u>79,166</u>
Deferred tax	10,870	17,713
	<u><u>190,152</u></u>	<u><u>96,879</u></u>

10. DIVIDEND

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
2024 Final dividend of HK1.2 cents per ordinary share paid	<u>52,772</u>	<u>—</u>

Subsequent to the end of the reporting period, the Board proposed a final dividend in respect of the year ended 31 December 2025 of HK3.2 cents (2024: HK1.2 cents) per share, which is subject to approval by the shareholders of the Company (the “Shareholders”) in the forthcoming annual general meeting. The final dividend proposed after the end of reporting period has not been recognised as a liability at the end of reporting period.

11. EARNINGS PER SHARE

(a) Basic Earnings per share

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of approximately HK\$830,429,000 (2024: approximately HK\$211,136,000) and the weighted average number of ordinary shares of approximately 4,415,580,000 in issue during the year ended 31 December 2025 (2024: approximately 4,070,272,000).

(b) Diluted Earnings per share

The calculation of the diluted earnings per share attributable to owners of the Company for the year ended 31 December 2025 is based on the following data:

	2025 <i>HK\$'000</i>
Profit attributable to owners of the Company	830,429
Adjustments for interest on convertible bond, net of tax	<u>141</u>
Profit attributable to owners of the Company for diluted earnings per share	<u>830,570</u>
	Number of shares '000
Weighted average number of ordinary shares in issue	4,415,580
Effect of dilutive potential ordinary shares on convertible bond	6,000
Effect of dilutive potential ordinary shares on share options	<u>17,065</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>4,438,645</u>

Diluted earnings per share 18.71

During the year ended 31 December 2025, the dilutive potential ordinary shares include conversion of convertible bond outstanding as at 31 December 2025, while the conditions in regard for contingent consideration payables and shares options have not been met as at 31 December 2025, the potential issuable ordinary shares were not included in the calculation of diluted earnings per share during the year ended 31 December 2025.

Diluted earnings per share equals to basic earnings per share, as there were no potential dilutive ordinary shares issued during the year ended 31 December 2024.

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	<i>(a)</i>	94,674	–
<i>Less: loss allowance</i>		<u>–</u>	<u>–</u>
		94,674	–
Other receivables	<i>(c),(d)</i>	55,173	67,408
Loan receivable	<i>(e)</i>	14,392	14,039
<i>Less: loss allowance</i>	<i>(b)</i>	<u>(26,507)</u>	<u>(9,242)</u>
		43,058	72,205
Deposits and prepayments		45,419	43,274
Value added tax recoverable		<u>594</u>	<u>423</u>
		183,745	115,902
Analysed for reporting purposes as:			
– Current portion		166,474	101,863
– Non-current portion		<u>17,271</u>	<u>14,039</u>
		183,745	115,902

Notes:

- (a) The following is an aged analysis of trade receivables net of allowances for impairment losses under expected credit loss model presented based on invoice dates/date of delivery of goods:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	<u>94,674</u>	<u>–</u>

- (b) Movement in impairment loss allowances under expected credit loss model on other receivables:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At 1 January	9,242	490
Impairment loss recognised (<i>Note 6</i>)	17,227	8,795
Exchange adjustments	<u>38</u>	<u>(43)</u>
At 31 December	<u>26,507</u>	<u>9,242</u>

- (c) As at the end of 31 December 2025, other receivables amounting to approximately HK\$31,816,000 (2024: approximately HK\$31,034,000) are secured by properties pledged as collateral. During the year ended 31 December 2025, the Group entered into a transfer agreement for consideration of approximately HK\$5,152,000 in exchange of the receivable with secured by properties pledged as collateral. It deemed the consideration as fair value and the impairment loss recognised in profit or loss (2024: the fair value of these properties, as determined by an independent professional valuer, amounts to approximately HK\$21,792,000. Valuations are based on Level 2 inputs under the fair value hierarchy, which include observable market data and comparable property transactions).

An impairment loss of approximately HK\$17,227,000 (2024: approximately HK\$8,795,000) was recognised during the year ended 31 December 2025, reflecting the excess of the carrying amount of the relevant other receivables over the fair value of the collateral properties, less estimated selling costs.

Management continues to monitor market conditions and reviews the adequacy of the impairment provision on an ongoing basis.

- (d) As at the end of 31 December 2025, approximately HK\$12,849,000 (2024: approximately HK\$31,413,000) included in other receivables representing the cooperation receivables from independent third parties under their respective cooperation agreements for the future exploration of the Group's resources under one exploration site (2024: three exploration sites).
- (e) As at 31 December 2025, approximately HK\$14,392,000 (2024: approximately HK\$14,039,000) representing the loan granted to an independent third party, which carried at fixed interest rate of 5.4% per annum, secured by a part of rights of return generated from the mining asset constructed by the debtor and repayable on 30 May 2027.

13. OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other payables and accruals (<i>Note (a)</i>)	692,169	461,711
Amounts due to related parties (<i>Note (b)</i>)	216,233	253,461
Promissory note payable (<i>Note (c)</i>)	–	75,710
	908,402	790,882
Analysed for reporting purposes as:		
– Current portion	743,263	484,595
– Non-current portion	165,139	306,287
	908,402	790,882

Notes:

- (a) As at 31 December 2025, included in other payables were mainly payable to subcontractors of approximately HK\$444,216,000 (2024: approximately HK\$310,787,000) for mining extraction and construction.
- (b) The amounts are due to certain beneficial owners of the shareholders of the Company and related parties of the subsidiaries of the Company. As at 31 December 2025, the amounts of approximately HK\$120,512,000 (2024: approximately HK\$253,461,000) are non-trade in nature, unsecured, interest-free and repayable one year after the end of the reporting period and the remaining amounts are non-trade in nature, unsecured, interest-free and repayable on demand.
- (c) Promissory note payable carried at zero interest rate, unsecured and repayable on 9 October 2025. It is measured at amortised cost at effective interest rate of 9.08% per annum. The promissory note payables has been settled in full during the year ended 31 December 2025.

14. EVENTS AFTER THE REPORTING PERIOD

On 19 December 2025, the Company entered into the sales and purchase agreement with Huilin Investment Limited, Anrui Investment Limited, Heduo Investment Limited, Huiyu Investment Limited and Jinda Investment Limited (the “Vendors”), pursuant to which the Company conditionally agreed to acquire and the Vendors conditionally agreed to sell the sale shares, representing 100% of the total issued share capital of Longxin Construction Development Limited (the “Target Company”) at the total consideration of RMB260,000,000 (equivalent to approximately HK\$286,000,000), which will be satisfied by way of allotment and issue of 110,000,000 consideration shares to the Vendors upon completion subject to the terms and conditions set out in the sales and purchase agreement. Details as disclosed in the announcements dated on 19 December 2025 and 30 December 2025.

On 9 January 2026, the consideration shares has been issued in accordance with the terms and conditions of the sales and purchase agreement. Following the completion, the Target Company and its subsidiaries have become subsidiaries of the Company and the financial information of the Target Company and its subsidiaries will be consolidated into the Group’s consolidated financial statements.

FINAL DIVIDEND

The directors of the Company recommended the payment of a final dividend of HK3.2 cents per share for the year ended 31 December 2025 (2024: HK1.2 cents) to Shareholders whose names appear on the register of members of the Company on 16 June 2026. The final dividend will be subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company to be held on 29 May 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting of the Company, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong no later than 4:00 p.m. on Friday, 22 May 2026. The record date for determining the entitlements of the shareholders of the Company to attend and vote at the forthcoming annual general meeting is Friday, 29 May 2026.

Assuming that the final dividend for the year ended 31 December 2025 is approved by the Shareholders at the forthcoming annual general meeting of the Company to be held on 29 May 2026, for the purposes of ascertaining the entitlement to the final dividend, the register of members of the Company will be closed from Monday, 15 June 2026 to Tuesday, 16 June 2026, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Friday, 12 June 2026. The record date for determining the shareholders of the Company for the entitlement to the proposed final dividend for the year ended 31 December 2025 is Tuesday, 16 June 2026. It is expected that the final dividend will be payable to those entitled on or before Tuesday, 7 July 2026.

CHAIRMAN'S STATEMENT

BUSINESS REVIEW

In 2025, the global economy remained under pressure from geopolitical tensions and macroeconomic uncertainties, with financial market volatility staying high. Against this backdrop, investors increasingly turned to gold and companies with solid fundamentals as safe haven assets. The Group maintained its focus on operational efficiency, disciplined acquisitions, and sound management, delivering another year of strong performance. Profit for the year attributable to the owner of the Company rose from approximately HK\$211 million in 2024 to approximately HK\$830 million in 2025, representing growth of 293%. This reflects not only favorable market conditions but also the Group's ability to seize opportunities and reinforce its position in the gold mining industry.

As a major player in the sector, the Group demonstrated strong cohesion and execution. Guided by a forward-looking vision, management leveraged the advantages of being a listed company to reallocate resources and invest in diversified gold mining opportunities aligned with long-term goals. From 2025 to the present, the Group advanced operational upgrades, resource development projects, and strategic acquisitions. Building on these initiatives, vertical integration was realised in Tongguan County and Subei County, through the acquisition of the target companies, directly supported by the issuance of convertible bond or share, to enhance cost efficiency and strengthen safety management. In January 2025, the Group completed the acquisition of Huasheng Construction Investment Limited, followed by Longxin Construction Development Limited in January 2026, both streamlining production processes and reinforcing safety standards.

In addition, horizontal integration was achieved through the acquisition of Subei Mongol Autonomous County Jinxing Mining Co., Limited (“Jinxing Mining”) in August 2025, securing exploration licenses in Subei County and Longnan County, which host a large exploration zone that further consolidated the Group’s strategic position. In November 2025, the Group completed the acquisition of Wise Trend Investment Limited, also through share issuance, thereby expanding mineral resources in Subei County. Notably, Wise Trend Investment Limited’s economic interests in its exploration licenses, together with part of Jinxing Mining’s exploration licenses adjacent to the Group’s existing mining areas in Subei County, are expected to generate synergies that strengthen resource integration and strategic layout.

The Group remains committed to corporate responsibility, with priorities including environmental sustainability, workplace safety, and community engagement. Initiatives include automation upgrades, 3D geological modeling, and investments in green mine construction. The Group also supports community development through donations in Hong Kong and funding for university in Mainland China, nurturing future talent and contributing to sustainable industry growth.

PROSPECTS

In 2026, the global economy continues to face challenges from geopolitical tensions, inflation, and monetary shifts. Financial markets remain volatile, driving investors to rely more heavily on gold. Early in the year, gold surged past US\$5,000 per ounce, supported by a weaker U.S. dollar and rising uncertainty. Instability in the Middle East and mounting U.S. fiscal deficits further highlight gold’s strategic importance. Central banks hold firmly onto their gold reserves, while cryptocurrencies increasingly incorporating gold into collateral system. Driven by these dual forces, gold is entering a new phase of structure demand.

Against this favorable backdrop, the Group is advancing initiatives to enhance competitiveness and strengthen reserves. Efforts are underway to convert exploration licenses into mining licenses and to apply for the necessary production and safety permits, with a focus on Tongguan County, with substantive progress expected in 2026. Exploration in favorable mineralization zones is accelerating, alongside the pursuit of high quality gold assets domestically and internationally to reinforce portfolio depth and resilience.

External support has validated the Group’s vision and execution capability. Capital injections from Zijin Metal Company Limited and strategic investor in April 2025, together with the streaming agreement with Zijin Metal Company Limited in June 2025, underscored resource quality. New capital has been allocated to Subei County for production expansion, drilling, and green mine construction, embedding sustainability into operations while driving growth. International recognition has further strengthened momentum. The Group was included in the MSCI Global Small Cap Index in August 2025, followed by entry into the FTSE Global Equity Index Series in March 2026. These milestones broaden institutional investor access, diversify the shareholder base, and enhance credibility. Together, strategic investment, operational expansion, sustainability initiatives, and global index recognition form a compelling narrative of progress.

The Group’s strong performance in 2025 demonstrates resilience and foresight, building on prior-year momentum. Supported by favorable market conditions and a diversified gold mining portfolio, the Group has reinforced its foundation for sustainable growth. To reward shareholder trust, the Board has recommended the final dividend for the year 2025, which is the second consecutive year following the inaugural dividend in 2024. Anchored in disciplined growth and sustainable practices, the Group is committed to delivering enduring, long-term value for shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the year ended 31 December 2025, the Group’s revenue was approximately HK\$2,396,218,000, representing an increase of approximately 49% as compared to revenue of approximately HK\$1,604,821,000 for the corresponding year in 2024. Revenue growth was primarily due to the increase in sales volume of mine-produced gold, supported by a higher average selling price and the absence of gold recycling activities during the period. Detailed analysis is set out in below “Review of Operations” section.

Cost of Sales

During the year ended 31 December 2025, the Group’s cost of sales was approximately HK\$1,085,267,000 representing an increase of approximately 0.3% as compared to cost of sales of approximately HK\$1,081,630,000 for the corresponding year in 2024. The slight increase in cost of sales was primarily due to the higher sales volume of mine-produced gold and the absence of gold recycling activities during the period. Detailed analysis is set out in below “Review of Operations” section.

Gross Profit

During the year ended 31 December 2025, the Group's gross profit was approximately HK\$1,310,951,000, representing an increase of approximately 151% as compared to gross profit of approximately HK\$523,191,000 for the corresponding year in 2024. The increase in gross profit was mainly attributable to an increase in the gross profit from the gold mining operation in 2025. Detailed analysis is set out in below "Review of Operations" section.

Other Income

During the year ended 31 December 2025, the Group's other income increased by approximately HK\$4,368,000 as compared to other income of approximately HK\$4,000,000 for the corresponding year in 2024. The increase was mainly due to an increase in interest on bank deposits.

Other Net Gains and Losses

During the year ended 31 December 2025, the Group incurred other net losses of approximately HK\$32,426,000, as compared to other net losses of approximately HK\$19,371,000 in 2024. The losses were mainly attributable to impairment loss in respect of other receivables, fair value changes in the derivative component of convertible bond and contingent consideration payables, partially offset by fair value gains on financial assets at fair value through profit or loss and gain on modification of other borrowing recognised in 2025.

Administrative and other Expenses

During the year ended 31 December 2025, the Group's administrative and other expenses was increased by approximately HK\$36,350,000 as compared to administrative and other expenses of approximately HK\$169,982,000 for the corresponding year in 2024. The increase mainly reflected higher staff costs due to increased headcount and the recognition of share-based payments in 2025. In contrast, certain one-off expenses declined relative to 2024, including invalid exploration costs associated with expanded exploration activities. Additionally, closure work on the tailings dam was undertaken solely in 2024.

Finance Costs

During the year ended 31 December 2025, the Group's finance costs was increased by approximately HK\$4,405,000 as compared to finance costs of approximately HK\$30,821,000 for the corresponding year in 2024. The increase was mainly due to the increase in the interest expense on contract liabilities under the precious metals purchase agreement entered into with Zijin Metal Company Limited ("Streaming Agreement") in 2025.

Income Tax Expense

During the year ended 31 December 2025, the Group's income tax expense was increased by approximately HK\$93,273,000 as compared to income tax expense of approximately HK\$96,879,000 for the corresponding year in 2024. The increase was mainly due to an increase in the overall gross profit in 2025.

Profit for the Year Attributable to Owners of the Company

During the year ended 31 December 2025, the Group's profit for the year attributable to owners of the Company was approximately HK\$830,429,000, representing an increase of approximately 293% from approximately HK\$211,136,000 in 2024.

Net Asset Value Per Share*

The Group's net asset value per share increased by 25% from HK64.3 cents in 2024 to HK80.3 cents in 2025.

* Using the number of issued ordinary shares of the Company as at the relevant financial year end date.

REVIEW OF OPERATIONS

A. Gold Mining Operation

The activity of the Group's gold mining operations is sale of mine-produced gold, including gold concentrate, gold bullion and related products, that contains of gold exploration, mining, processing and/or smelting operations in Tonggun County and Subei County.

For the financial year ended 31 December 2025, the Group's revenue from gold mining operation amounted to approximately HK\$2,396,218,000, representing an increase of approximately 84% from approximately HK\$1,302,774,000 for the corresponding period in 2024 and was primarily contributed by (i) the increase in average selling price of mine-produced gold by upwards trend of gold from RMB540 per gram for the corresponding period in 2024 to RMB747 per gram for the year 2025; and (ii) an increase in sale volume of mine-produced gold from approximately 2.22 tonnes for the corresponding period in 2024 to approximately 2.96 tonnes in 2025.

The cost of sales amounted to approximately HK\$1,085,267,000, representing an increase of approximately 39% from approximately HK\$779,802,000 for the corresponding period in 2024. As results, the gross profit from this operation amounted to approximately HK\$1,310,951,000 (gross profit margin 54.7%), representing an increase in approximately 151% as compared with gross profit of approximately HK\$522,972,000 (gross profit margin 40.1%) for the corresponding period in 2024. The increase in gross profit margin was mainly driven by the rise in the average selling price of mine-produced gold and effective cost control, the latter primarily resulting from synergy effects arising from the vertical integration of Huasheng Construction Investment Limited and its subsidiaries in early of 2025.

B. Gold Recycling Business

The activity of the Group's gold recycling business involves sale of physical gold bullion by purchasing gold related materials from other supply chain players, and refining by subcontractors. For the year ended 31 December 2025, no transaction was made under gold recycling business. For the corresponding year in 2024, the volume of sale of gold bullion was approximately 0.57 tonnes. Approximately HK\$302,047,000 of revenue and approximately HK\$301,828,000 of cost of sales were contributed from this operation in 2024. Gross profit from this operation was thin and amounted to approximately HK\$219,000.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2025, the Group had total assets and net assets amounted of approximately HK\$6,528,569,000 (2024: approximately HK\$4,593,704,000) and approximately HK\$4,173,236,000 (2024: approximately HK\$2,618,967,000), respectively. The current ratio was 0.78 as compared to 0.36 as of last year end date.

As at 31 December 2025, the Group had cash and cash equivalents of approximately HK\$638,491,000 (2024: approximately HK\$172,329,000), and most of which were denominated in Renminbi, United States dollar and Hong Kong dollars.

As at 31 December 2025, the Group had bank and other borrowings of approximately HK\$477,215,000 (2024: approximately HK\$530,596,000) which were denominated in Renminbi, including the effective interest rates ranged from 3.00% to 5.40% (2024: from 3.28% to 6.45%) per annum. This included bank borrowings with variable rates at loan prime rate ("LPR")+0.85% (2024: from LPR+0.85% to LPR+2.60%) per annum. The decrease in total borrowings is mainly due to adequate funds to cope with daily operation. The gearing ratio, as a ratio of sum of bank and other borrowings and promissory note to total equity, was 11.4% (2024: 23.2%).

As at 31 December 2025, the Group had no outstanding promissory notes (2024: approximately HK\$75,710,000). The promissory note with the principal amount of HK\$80,000,000 carries zero interest and settled on 9 October 2025.

FOREIGN EXCHANGE RISK MANAGEMENT

As part of the Group's assets and liabilities are denominated in Hong Kong dollars and Canadian dollars, in order to minimise the foreign currency risk, the Group aims to utilise the fund for transactions that are denominated in the same currency.

SHARE CAPITAL

On 22 April 2025, the Company completed the issuance of 327,420,000 new ordinary shares of the Company at the subscription price of HK\$0.69 per ordinary share.

On 7 November 2025, the Company issued 800,000,000 new ordinary shares as the consideration paid for the acquisition of the entire equity interests in Wise Trend Investment Limited (as stated in heading "Material acquisitions and disposals of subsidiaries, associated companies and joint ventures" as below).

As at 31 December 2025, the Company had 5,197,692,221 ordinary shares in issue with total shareholders' fund of the Group amounting to approximately HK\$519,769,000.

SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE AND USE OF PROCEEDS FROM THE SUBSCRIPTION

On 8 April 2025, (i) the Company entered into subscription agreement with the subscriber "Grand Perception Singapore Global Investment Limited", pursuant to which the Company agreed to allot and issue, and the subscriber agreed to subscribe for, an aggregate of 159,420,000 subscription shares at the subscription price of HK\$0.69 per subscription share under the general mandate granted to the directors of the Company (the "Directors")(the "Subscription Shares A"); and (ii) the Company entered into subscription agreement with the subscriber "Zijin Metal Company Limited", pursuant to which the Company agreed to allot and issue, and the subscriber agreed to subscribe for, an aggregate of 168,000,000 subscription shares at the subscription price of HK\$0.69 per subscription share under the general mandate granted to the Directors (the "Subscription Shares B")(collectively, the "Subscription"). The aggregate of Subscription Shares A and Subscription Shares B amounts to 327,420,000 subscription shares (the "Subscription Shares").

The closing price as quoted on The Stock Exchange of Hong Kong Limited on 8 April 2025, being the date of the subscription agreements, was HK\$0.86 per share. The aggregate nominal value of the Subscription Shares is HK\$32,742,000.

The Directors consider that the Subscription will provide additional funding for the Company's business operation, and it shall also strengthen the capital base of the Company. The Directors are of the view that the Subscription is in the interests of the Company and the shareholders of the Company as a whole and the issue of the Subscription Shares is an appropriate means of raising additional capital for the Company since it will provide the Company with immediate funding and the capital base of the Company will be enlarged.

The net proceeds from the Subscription after deducting related expenses payable by the Company was amounted to HK\$225.5 million and the net price is approximately HK\$0.69 per subscription share. The Subscription and the allotment and issue of total of 327,420,000 new ordinary shares was completed on 22 April 2025.

The Company intends to apply the net proceeds as to: (i) approximately HK\$80,000,000 for the development of the mining production line with production capacity of 450 tons of ores per day; (ii) approximately HK\$50,000,000 for conducting the mines drilling activities; (iii) approximately HK\$20,000,000 for the construction of dormitory and related facilities at the mining locations of the Group; (iv) approximately HK\$13,000,000 for green mining construction; and (v) the remaining proceeds for replenishing the working capital of the Group.

Further details of the Subscription are set out in the announcements of the Company dated 8 April 2025 and 22 April 2025.

In respect of the net proceeds of HK\$225.5 million raised from the Subscription. The following table summarizes the use of net proceeds from the Subscription for the year ended 31 December 2025:

	Amount of net proceeds HK\$ million	Actual use of net proceeds during the year ended 31 December 2025 HK\$ million	Unused amount of net proceeds as at 31 December 2025 HK\$ million
(i) development of the mining production line with production capacity of 450 tons of ores per day (<i>Note 1</i>)	80	64	16
(ii) conducting the mines drilling activities (<i>Note 2</i>)	50	40	10
(iii) construction of dormitory and related facilities at the mining locations of the Group (<i>Note 1</i>)	20	18	2
(iv) green mining construction (<i>Note 1</i>)	13	9	4
(v) replenishing the working capital of the Group	62.5	37	25.5
Total	225.5	168	57.5

Notes:

1. The amount is expected to be utilised in the next 12 months from May 2025.
2. The amount is expected to be utilised in the next 24 months from May 2025.

PLEDGE OF ASSETS

As at 31 December 2025, the Group has pledged certain property, plant and equipment, right-of-use assets and other intangible assets with carrying amounts of approximately HK\$37,157,000, HK\$46,183,000 and HK\$78,109,000 (31 December 2024: HK\$76,781,000, HK\$46,427,000 and HK\$108,138,000) respectively to secure bank borrowings granted to the Group.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

On 24 January 2025, the Group acquired the entire equity interests in Huasheng Construction Investment Limited, which was satisfied by the issue of convertible bond (principal amount equivalent to RMB30,000,000) of the Company.

On 7 November 2025, the Group acquired the entire equity interests in Wise Trend Investment Limited, which was satisfied by the issue and allotment of 800,000,000 ordinary shares of the Company.

Saved as disclosed above, there were no other significant investment, material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2025.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any contingent liabilities (2024: Nil).

EVENTS AFTER THE REPORTING PERIOD

Particulars of the Group's events after the reporting period are set out in Note 14.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had approximately 12 and 756 employees in Hong Kong and Mainland China respectively.

The staff cost of the Group (including directors' emoluments in form of salary and other benefits, share-based payments, performance related incentive payments and retirement benefit contributions) was approximately HK\$121,188,000 (2024: approximately HK\$64,516,000) for the year ended 31 December 2025. There was a share-based payment of approximately HK\$16,410,000 arising from grant of share options to directors and employees of the Group for the year ended 31 December 2025 (2024: Nil).

Directors' emoluments were fixed with reference to their duties and responsibilities with the Company as well as the Company's remuneration policy.

Employees of the Group are remunerated at a competitive level and are rewarded according to their performance. Our Group's remuneration packages include medical scheme, group insurance, mandatory provident fund for Hong Kong employees, social insurance packages for Mainland China employees, performance bonus and share option scheme. The Group is also dedicated to providing training programs for new employees and regular trainings to employees to enhance their skills and know-how.

According to the share option schemes adopted by the Company on 6 June 2024, share options may be granted to directors, employees and other eligible participants of the Group to subscribe for shares in the Company in accordance with the terms and conditions stipulated therein.

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

The Company has not redeemed any of its listed securities during the year ended 31 December 2025. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Company has a policy of seeking to comply with the established best practice in corporate governance. The Board believes that good corporate governance is crucial to improve the efficiency and performance of the Group and to safeguard the interests of its shareholders. For the year ended 31 December 2025, the Company has applied the principles and code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) (the “Code”), and the associated Listing Rules. During the year ended 31 December 2025, the Company has complied with the code provisions of the Code (“Code Provision(s)”), except for certain deviations as specified and explained below with considered reasons and explanation for such deviations.

1. Under Code Provision C.2.1 of the Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Since the resignation of Mr. Wang Hui as the chief executive officer of the Company (the “CEO”) on 1 June 2016, and until the appointment of Mr. Wang Dequan as the CEO on 1 October 2025, the executive directors of the Company, possessing extensive relevant industry knowledge, collectively oversee the day-to-day management of the business and operations of the Group.
2. Under Code Provision C.1.6 of the Code, generally, independent non-executive directors and other non-executive directors should attend the general meetings to gain and develop a balanced understanding of the views of shareholders. During the year ended 31 December 2025, an independent non-executive director was unable to attend the annual general meeting of the Company due to other engagement. The Company will try its best endeavors in arranging the meeting schedule and arrangement in order to comply with the code provision in future.

The Board will continue to regularly review and monitor the Company’s corporate governance practices to ensure compliance with the relevant provisions under the Listing Rules and to maintain a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules. The Company has made specific enquiry of all directors of the Company regarding any non-compliance with the Model Code and its code of conduct regarding directors’ securities transaction during the year ended 31 December 2025, and they all confirmed that they had fully complied with the required standards set out in the Model Code.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company comprises Mr. Leung Ka Wo, Mr. Chu Kang Nam and Mr. Liang Xushu, all of them are independent non-executive directors. The consolidated financial results of the Group for the year ended 31 December 2025 have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF MESSRS. RONGCHENG (HONG KONG) CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditors, Messrs. Rongcheng (Hong Kong) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Messrs. Rongcheng (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Rongcheng (Hong Kong) CPA Limited on the preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Company (www.tongguangold.com) and the designated website of the Stock Exchange (www.hkexnews.hk).

The 2025 annual report of the Company will be made available on the above websites in due course.

The 2025 annual financial information set out above does not constitute the Group’s statutory financial statements for the financial year ended 31 December 2025. Instead, it has been derived from the Group’s audited consolidated financial statements for the financial year ended 31 December 2025, which will be included in the Company’s 2025 annual report.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to the continuous support of our shareholders and hard work and dedication of all our staff over the past year.

By Order of the Board
Tongguan Gold Group Limited
Jiang Zhiyong
Chairman and Executive Director

Hong Kong, 27 March 2026

As at the date hereof, the board of directors of the Company comprises Mr. Jiang Zhiyong, Mr. Wang Dequan, Mr. Shi Xingzhi, Mr. Shi Shengli, Mr. Yeung Kwok Kuen and Ms. Feng Fangqing as executive directors and Mr. Chu Kang Nam, Mr. Liang Xushu and Mr. Leung Ka Wo as independent non-executive directors.