罕王
HANKING

中國罕王控股有限公司
CHINA HANKING HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 03788

2024
ANNUAL REPORT

CORE VALUE

People-first and
Business Integrity

PRINCIPLE

Safety,
Harmony and Green

CONTENTS

CHAIRMAN'S STATEMENT

Dear Shareholders,

In 2024, China's economy showed a trend of high first, low second, and rising last. The iron ore concentrate and high-purity iron business of the Company have also been affected by macroeconomic fluctuations and are facing various operational pressures. Facing a trend of fluctuation and overall weakening of the price of iron ore concentrate and high-purity iron, the Company, taking reduction in production costs and fees as the guiding principle, conducted work in various aspects including organizing production, purchasing raw materials, internal management and finding new customers. Benefiting from the increase in gross profit of the high-purity iron business and decrease in management fees and other fees, the Company eventually realized an increase in operating results. In 2024, the revenue of the Company amounted to RMB2,480 million, representing a year-on-year decrease of 18%. Net profit attributable to shareholders of the parent company was RMB180 million, representing a year-on-year increase of 19%.

Value creation has always been the work concept insisted on by the Company. While properly conducting various types of operational work, we also continuously implement various tasks that are beneficial for the Company's long-term growth in value. In 2024 and as of the date of this report, we are pleased to note that we have achieved a series of milestones based on our work in the past few years. Such achievements also help shareholders understand the true value of the Company.

In 2021, the Company commenced systematic exploration in Shangma mining area. Through innovative exploration approaches and exploration of nearly four years, the resources in Shangma Mine increased by approximately 79,760 thousand metric tons or approximately 265%, with the total resources of approximately 110 million metric tons. The scale of resources of Shangma Mine has been expanded to a large level, solidifying a foundation for the sustainable development of the Company's iron ore business.

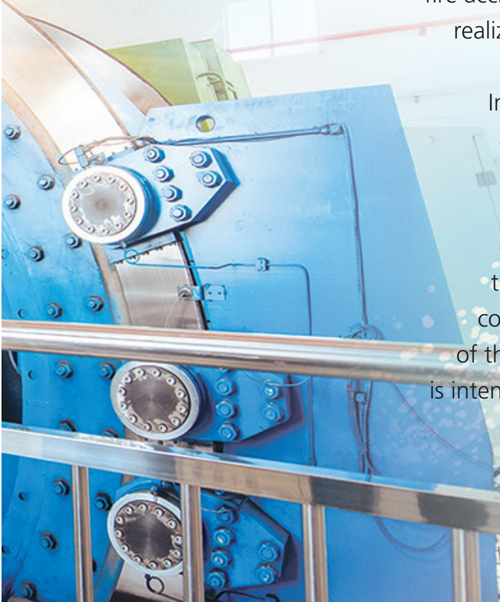
CHAIRMAN'S STATEMENT

The Company acquired the Mt Bundy Gold Project in 2018. After the acquisition, the Company conducted much work in exploration, feasibility studies, and various government approvals and other aspects and realized many achievements. For example, compared to that as at the time of acquisition, the latest resources and reserves of the Mt Bundy Gold Project increased by 67% and 837% respectively, and the environmental protection approvals for open-pit mining and underground-pit mine have been obtained, and the mining plan and processing have been continuously optimized. To concentrate limited manpower and financial resources of the Company to the development and construction of the Cygnet Gold Project of the Company located in Western Australia for faster realizing the goal of the Company to become a gold producer, in July 2024, the Company disposed of the Mt Bundy Gold Project at a consideration of AUD300 million, with an environmental bond of approximately AUD3,120 thousand. Such disposal presents a recognition by the market for the value created by us in the Mt Bundy Gold Project during the past five years.

The Company acquired a major equity interest in the Cygnet Gold Project in Western Australia through capital increase in 2023. In 2024, the Company focused on exploration for the Cygnet Gold Project. The exploration obtained an outstanding result, making the resources of the project increase by 17% to 1,380,000 ounces of JORC Code gold at an average grade of 3.9 gram/ton. In October 2024, the Company further acquired 36.64% of the shares of the company that owns the Cygnet Gold Project, increasing the shareholding to 93.37%. The increase in resources and shareholdings laid a beneficial foundation for us to create greater value in the Cygnet Gold Project.

Although the above three achievements were obtained in 2024, they are the fruits generated from continuous efforts by all staff of the Company during the past few years. We firmly believe that the Company's value will eventually be embodied through different means so long as we keep conducting work beneficial for the Company's long-term development.

We have always adhered to the principle of "safety, harmony and green". China Hanking has been focusing on safety and environmental protection. Our development history aligns with ESG concept. We have prioritized safety and environmental protection and have established a top-to-bottom ESG management system. Facing the uncertainties of global economy and social development, we further adjusted the Board composition during the year, to satisfy the requirements of the governance system of international companies. We also increased the percentage of green resources usage, making contributions to the "dual carbon" goal. As of the end of 2024, China Hanking has achieved zero fatalities, casualties, environmental pollution incidents, occupational morbidity, and fire accidents for eight consecutive years. We insist on the concept of mutual prosperity, striving to realize win-win and mutual development through cooperation with interested parties.



In 2024, rise and fall as well as trading amount in Hong Kong stock segment increased as compared to the corresponding period of 2023. Head companies still held a large proportion, and there was a high market concentration. We, situated in this divergent market, place significant importance on communication with investors. While striving to enhance the Company's profitability and internal value, we actively communicate with the market, continuously optimize the investor communication mechanism and expand communication channels, aiming to enable market participants have a prompt understanding of the Company, and pay attention and respond to the enquiries from the market. This, in turn, is intended to promote value enhancement of the Company and win-win together with investors.

CHAIRMAN'S STATEMENT

OUTLOOK

As we are optimistic about the prospects of gold, the Company will devote more resources to the development of gold projects. In 2025, the Company will focus on exploration, feasibility studies and government approval processes required for mining construction at the Cygnet Gold Project in Western Australia. The Company aims to become a gold producer within two years. Meanwhile, we will also pay attention to potential opportunities of merger and acquisition, to support better growth of the Company's gold business.

Our Maogong Mine received a renewed mining license from the Natural Resources Department of Liaoning Province at the end of October 2023. The previously surveyed 16.32 million tons of iron ore resources through exploration rights have been included in the mining license. In 2024, in respect of the newly discovered resources of Maogong Mine, the Company completed the underground-pit design and approval required for construction and other work. In 2025, Maogong Mine will initiate the construction work of underground-pit for the newly discovered resources, which will ensure the productivity of Maogong Mine of producing approximately 1 million tons of iron concentrates annually in the next ten years and extend the lifetime of the Maogong Mine, a "longevity mine". Shangma Mine will advance feasibility studies for mine development based on newly discovered resources. Simultaneously, efforts will be made to convert exploration licenses with completed exploration work into mining licenses.

We still hold a prudent attitude toward the iron ore concentrates and high-purity iron market in 2025. We will continue to take reduction in production costs and fees as the guiding principle and conduct work in various aspects including organizing production, purchasing raw materials, internal management and finding new customers, so as to meet the operation target of 2025, and achieve better management benefits from two aspects of revenue increase and expense reduction.

APPRECIATION

In 2024, while excelling in our production and operations, the Company also achieved a series of milestones, laying a solid foundation for our future development. On behalf of the Board, I would like to express my sincere gratitude to the management team and all staff of the Group for their efforts and dedication, as well as to the Shareholders and partners of the Company for their continuous support to the Company.

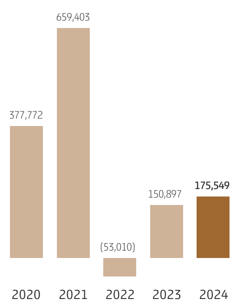
In order to thank the Shareholders for their support to the Company, the Company has paid an interim dividend of HKD0.02 per share for 2024, and recommended the payment of a final dividend of HKD0.02 per share.

Mr. Yang Jiye
Chairman of the Board

FINANCIAL HIGHLIGHTS

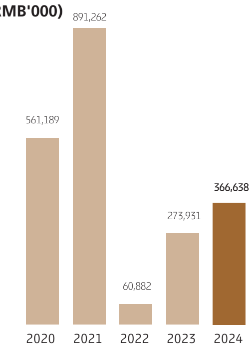
175,549 ⬆16.34%

Profit(Loss) for the year
(RMB'000)



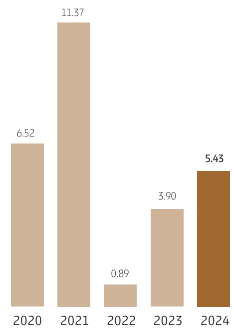
366,638 ⬆33.84%

Profit before interest and tax
(RMB'000)



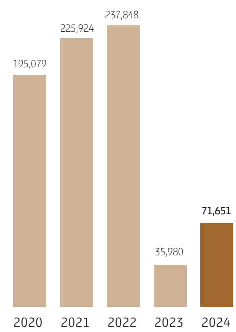
5.43 ⬆39.23%

Interest coverage ratio



71,651 ⬆99.14%

Cash dividends (RMB'000)



RMB'000, except for percentages	2020	2021	2022	2023	**2024**
Revenue	2,675,912	3,126,648	2,601,833	3,028,155	**2,484,150**
Profit(Loss) for the year	377,772	659,403	(53,010)	150,897	**175,549**
EBITDA	787,609	1,117,318	240,812	468,952	**512,316**
Profit before interest and tax	561,189	891,262	60,882	273,931	**366,638**
Assets	3,259,423	3,810,909	3,362,804	3,614,559	**3,591,948**
Liabilities	2,095,468	2,242,637	2,081,468	2,164,002	**2,150,346**
Gearing ratio	64.29%	58.85%	61.90%	59.87%	**59.87%**
Net gearing ratio[1]	54.99%	26.46%	39.85%	31.96%	**31.21%**
Interest coverage ratio[2]	6.52	11.37	0.89	3.90	**5.43**
Capital expenditure	332,438	234,146	124,157	218,120	**139,793**
Return on net assets[3]	38.17%	48.27%	(3.72%)	11.05%	**12.14%**
Return on total assets[4]	13.50%	18.65%	(1.48%)	4.33%	**4.87%**
Profit(Loss) per share (RMB)	0.21	0.34	(0.03)	0.08	**0.09**
Cash dividends	195,079	225,924	237,848	35,980	**71,651**

1 Net gearing ratio is calculated by dividing net borrowings and bills payables net of borrowings and bills deposits as well as bank balance and cash by total equity.
2 Interest coverage ratio is calculated as the profit (loss) before interest and tax divided by finance costs.
3 Return on net assets is calculated as the profit (loss) for the year divided by average net assets.
4 Return on total assets is calculated as the profit (loss) for the year divided by average total assets.

SUMMARY OF THE COMPANY'S BUSINESS

China Hanking Holdings Limited was incorporated in the Cayman Islands on 2 August 2010, and was listed on the Hong Kong Stock Exchange on 30 September 2011 (stock code: 03788).

The Group upholds the core value of "people-first and business integrity", adheres to the principles of "safety, harmony and green", and strives to perform the enterprises' social responsibilities.

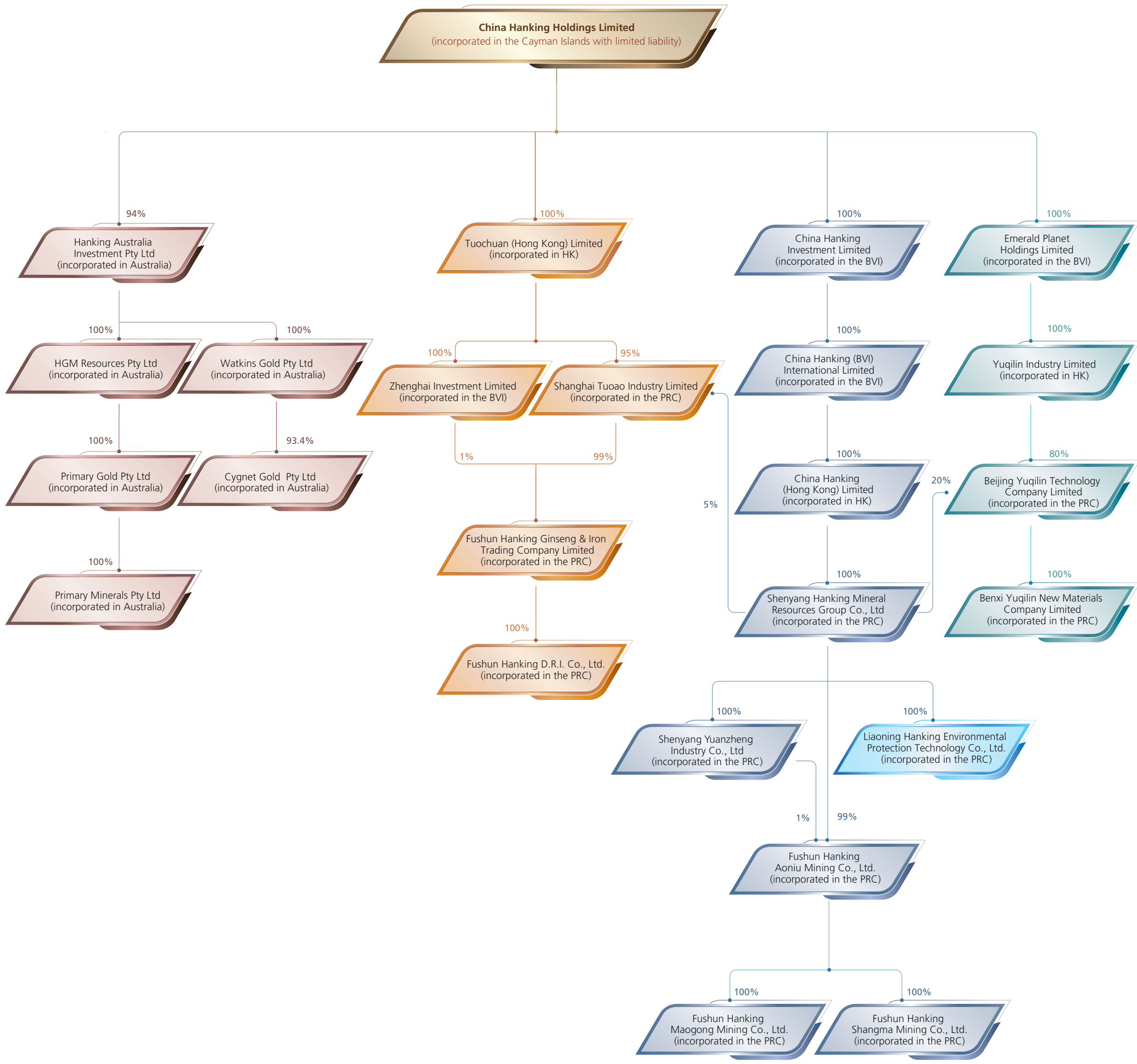
• IRON ORE AND HIGH-PURITY IRON BUSINESS IN CHINA

Thanks to the advantages of its own high-quality iron ore resources and unique technical process, the average grade of iron ore concentrate produced by Hanking is over 68%. Due to the minimal impurity contents of sulfur, phosphorus and titanium, together with the technical advantages accumulated over the years, high- purity iron products smelted by Hanking enjoy strong corrosion resistance and high tensile strength, thereby well meeting the casting requirements of major equipment in wind power, marine engineering and other sectors. Therefore, the Company's iron ore and high-purity iron business in China provide high-quality raw materials for clean energy wind power component casting enterprises.

• GOLD BUSINESS IN AUSTRALIA

A team has been assembled by the Company in Australia since 2010, and the then subsidiary of the Company in Australia was established in 2011, which is headquartered in Perth, the capital of Western Australia. Over the last 10 years, by completing the complete closed loop of acquisition, resource exploration, relaunched production and operation and capitalization in respect of SXO Gold Project, Hanking Australia has developed a gold mining and operation team with outstanding performance and applied its experience to the existing gold projects, in an effort to create maximum value for the Shareholders.

Shareholding Structure of the Group Note



Note This shareholding structure chart only sets out the principal subsidiaries of the Group as at 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

I. OPERATION REVIEW

1. Stabilizing production and reducing cost to increase benefits

For the iron ore and high-purity iron business, the Group focused on continuous and stable production. In 2024, the number of stable production days in the two business segments further increased, which improved production efficiency and product quality. Meanwhile, the two business segments strengthened lean management from organizational structure, assets verification, bidding management, project management, technical transformation and other aspects to improve operational efficiency, thus achieving a slight increase in gross profit. In 2024, the Group recorded a profit for the year of approximately RMB176 million, representing a year-on-year increase of 16.34%. According to the "Dividend Distribution Plan for Shareholders for the Three Years (2023-2025)" of the Company, the Board resolved to pay a final dividend of HKD 0.02 per Share in 2024 to Shareholders.

2. An increase in Shangma Mine resources to 110 million metric tons

The geological exploration project department was formed by the Company at the beginning of 2021 to systematically explore Shangma mining area. As at the end of 2024, a total of 268 mechanical core drilling holes amounting to 163,974 meters along with 8 hydrogeological holes totaling 4,724 meters were constructed during the exploration. Shangma Mine resources increased by approximately 79,760 thousand metric tons or approximately 265% through exploration, bringing the total resources to approximately 110 million metric tons. Shangma Mine resources have reached a large scale, laying a solid foundation for the sustainable development of our iron ore business.

3. An increase in Australia Cygnet Gold Project resources to 1.38 million ounces

In 2024, the Cygnet Gold Project in Western Australia achieved outstanding results in the Stage 1 exploration program. Its JORC Code gold resources increased by 17% to 1.38 million ounces at an average grade of 3.9 gram/metric ton . Currently, the Stage 2 exploration program is in progress. In the second half of 2024, the Company, through its subsidiaries, further acquired 36.64% of the shares of the company that owns the Cygnet Gold Project, increasing its shareholding to 93.37% and paving the way for future development of the project to achieve its goal of becoming a gold producer more quickly.

MANAGEMENT DISCUSSION AND ANALYSIS

II. IRON ORE BUSINESS

1. Industry situation and specific ratio

In 2024, the overall price of iron ore fell, rose, fell and rose, and the overall price declined during the year. According to data from the General Administration of Customs, China imported a total of 1,237,000,000 metric tons of iron ore in 2024, recording a new high, representing a year-on-year increase of 4.9%. According to the National Bureau of Statistics, in 2024, the domestic production of raw iron ore was 1,042,000,000 metric tons, with a cumulative increase of 1.2%. In 2024, the domestic production of pig iron and raw steel decreased year-on-year. Looking forward to 2025, the global iron ore supply will maintain its upward trend due to the continuous implementation of new and existing projects. On the demand side, although the demand for steel in traditional industries further decreases, the demand for steel for infrastructure is expected to increase, supported by the concept of "enhancing the intensity and effectiveness" proposed in fiscal policies and the development of new infrastructure. The overall demand for steel in the manufacturing industry maintains a stable and rising trend, and the demand for steel in home appliances, new energy, shipbuilding and offshore engineering and the automobile industry still have growth potential, which will boost the overall industry demand.

Iron ore production data

Year	2020	2021	2022	2023	2024
Raw iron ore (domestic) output (100 million metric tons) Note 1	8.6672	9.8053	9.6787	9.9056	10.4194
Iron ore fines and its concentrate (import) output (100 million metric tons) Note 2	11.7010	11.2432	11.0686	11.7906	12.3655

Note1: Data from National Bureau of Statistics.

Note 2: Data from Monthly Statistics of the General Administration of Customs.

2. Operation status

Rich and good iron ore resource

The iron ore resources of the iron ore business of the Company are situated at the well-known iron ore metallogenic belt of Anshan to Benxi where iron ore resources are rich and in good quality. Through the processing techniques, iron ore is processed into high-grade iron ore concentrate. The Company is committed to improving the quality of its iron ore concentrated products and continuously invests in optimising its production processes. The average grade of iron ore concentrate produced in 2024 reached over 69%, and its contents of sulfur, phosphorus and titanium impurities were low, which helps significantly reduce the production cost for our customers. Therefore, Aoniu Mining was identified as a professional, advanced and specialized new "Little Giant" enterprise in Liaoning Province and its high-grade pure iron ore concentrate was awarded as a "technologically advanced" product in Liaoning Province.

All-round cost reduction and efficiency improvement

In 2024, the Company focused on "reducing costs and increasing efficiency" in terms of the iron ore business, and implemented a series of measures covering the whole process from production to operation, including but not limited to: optimizing enterprise organization, reducing intermediate processes, eliminating information barriers and improving communication efficiency; carrying out a comprehensive stock count of enterprise assets and recovering funds; strengthening the bidding management of key materials and exploration projects, and further reducing the procurement and engineering costs; optimizing the process of pre-magnetic separation tailings and cancelling the primary magnetic separation in grinding and separation operation, and realizing technological empowerment, cost reduction and efficiency improvement through technical transformation.

In April 2024, in the selection activity conducted at the "2024 Domestic Iron Ore Whole Industry Chain Summit Forum (二零二四國產鐵礦石全產業鏈高峰論壇)", our Maogong Mine won the honor of "2024 Domestic Iron Ore Brand Supplier-Green Benchmark Mining Area (二零二四國產礦鐵礦石品牌供應商-綠色標桿礦區)" in the industry by virtue of its outstanding performance in green mine construction, product quality, quality control and market reputation, etc.

MANAGEMENT DISCUSSION AND ANALYSIS

Low-cost operations

In 2024, the Company maintained stable production in terms of its iron ore business. The iron concentrate output was 1,009,000 metric tons, representing a year-on-year increase of 9,000 metric tons or 0.90% and achieving 106.21% of the annual forecast. Thanks to stable production and the implementation of a wealth of measures to reduce costs and improve efficiency by the Company during the year, the Company could maintain its low-cost operations. In 2024, the average cash operating cost of a single metric ton of iron ore concentrate amounted to RMB354, representing a year-on-year decrease of RMB10 per metric ton or 2.75%.

Table 1 – Cash operation costs of the iron ore business

	For the year ended 31 December		
	2024 (RMB/ metric ton of iron ore concentrate)	2023 (RMB/ metric ton of iron ore concentrate)	Change
Mining	**175**	177	(1.13%)
Processing	**80**	87	(8.05%)
Transportation	**15**	14	7.14%
Tax	**58**	59	(1.69%)
Mine management	**26**	27	(3.70%)
Total	**354**	364	(2.75%)

Table 2 – Operation breakdown of iron ore business

	For the year ended 31 December		
	2024	2023	Change
Output of iron ore concentrates (thousand metric tons)	**1,009**	1,000	0.90%
Sales volume of iron ore concentrates (thousand metric tons)	**989**	1,022	(3.23%)
Average selling price (RMB per metric ton)	**973**	989	(1.62%)
Average cost of sales (RMB per metric ton)	**363**	396	(8.33%)
Revenue (RMB thousand)	**966,175**	1,011,491	(4.48%)
Gross profit (RMB thousand)	**606,772**	606,574	0.03%
Gross margin	**62.80%**	59.97%	Up 2.83 percentage points

For the year ended 31 December 2024, the capital expenditure of the iron ore business was RMB69,508,000 (2023: RMB88,961,000), mainly representing expenditure on mineral rights, exploration and engineering.

3. Resources and reserves

Exploration activities

The Company is well aware of the importance of sustainable high-quality resources and has been committed to prospecting for minerals in and around existing mining areas in order to continuously obtain high-quality resources. The Company continued to advance exploration in the Shangma and Maogong mining areas in 2024, with a total of 58 holes drilled and approximately 36,348 meters of work load completed during the year. The engineering control of Shangma Zone I mining area of Shangma Mine has reached the level to conduct exploration, and the corresponding hydrogeology and engineering geology conditions have been qualified for exploration. Due to the large-scale resources reserves of Shangma Mine and the estimated number of ore bodies reaching 99, the stratification, connection, calculation and modification of ore bodies are relatively complicated, resulting in a long period of time for the evaluation and filing of mineral reserves. In February 2025, the Company received a reply from the Department of Natural Resources of Liaoning Province on the evaluation and filing of mineral reserves of Shangma Mine, pursuant to which, Shangma Mine resources increased by approximately 79.76 million metric tons or approximately 265%, with a total amount of resources reaching approximately 110 million metric tons. In particular, Measured Resources and Indicated Resources accounted for 50.72% of the total resources. Details of the resource incremental are set out in the announcement of the Company dated 13 February 2025.

As at the end of 2024, the Group owned approximately 170 million metric tons of iron ore resources.

Table 3 – Iron ore resources as at the end of 2024

	Measured Resources		Indicated Resources		Inferred Resources		Total	
Mine	**Metric ton**	**TFe (%)**	**Metric ton**	**TFe (%)**	**Metric ton**	**TFe (%)**	**Metric ton**	**TFe (%)**
Aoniu Mine	–	–	12,983,099	32.45	20,476,550	31.80	33,459,649	32.05
Maogong Mine	–	–	8,530,000	34.67	18,024,000	34.65	26,554,000	34.66
Shangma Mine	18,297,420	34.77	37,637,380	33.63	54,337,930	33.51	110,272,730	33.76
Total	18,297,420[1]	34.77	59,150,479[2]	33.52	92,838,480[3]	33.35	170,286,379	33.56

1 The resources amount includes 11,566,110 metric tons of the resources amount which does not show on the mining licenses.

2 The resources amount includes 34,012,309 metric tons of the resources amount which does not show on the mining licenses.

3 The resources amount includes 47,951,180 metric tons of the resources amount which does not show on the mining licenses.

Note 1: For the estimation of iron ore resources, firstly, the industrial parameters were determined in accordance with the requirements of the general standard of the geological exploration profession in the PRC "Geological and Exploration Standards for Iron, Manganese and Chrome Deposits" (DZ/T0200-2020); and then the "Geological Block" method was selected based on the geological characteristics of the ore bodies to estimate the amount of ore resources using the volume and specific gravity of ore body in each block. The resources category classification is based on the extent of geological exploration work carried out and is comparable to the JORC Code.

Note 2: The figures do not imply precision and may not add up due to rounding. Mineral resources are quoted inclusive of mineral reserves.

As at the end of 2024, the Group owned approximately 30,250 thousand metric tons of JORC Code iron ore reserves.

Table 4 – Iron ore reserves as at the end of 2024

Mine	**Reserves category**	**Increased amount for 2024 (metric ton)**	Reserves at the end of 2024 (metric ton)	TFe (%)
Aoniu Mine	Probable Ore Reserve	**0**	0[1]	—
Maogong Mine	Probable Ore Reserve	**271,000**	8,530,000	34.67
Shangma Mine	Probable Ore Reserve	**8,991,090**	21,720,420	33.07
Total	Probable Ore Reserve	**9,262,090**	30,250,420	33.52

1 According to the latest dynamic monitoring report, the remaining iron ore reserves at Aoniu Mine are temporarily unexploitable because they are mainly located at the security pillars of the mine.

Note: In accordance with the JORC Code, ore resources are the economically mineable portion of the resources obtained through exploration and are determined based on mine feasibility study as well as actual operation parameters from the operations of relevant mines.

III. HIGH-PURITY IRON BUSINESS

1. Industry situation

According to statistics from the National Energy Administration, as at the end of 2024, the cumulative installed capacity of wind power in the PRC was 520 million kilowatts, representing a year-on-year increase of 18%. In 2024, the newly installed capacity of wind power in the PRC was 79,820,000 kilowatts, representing a year-on-year increase of 6%, among which onshore wind power amounted to 75,790,000 kilowatts and offshore wind power amounted to 4,040,000 kilowatts, but the overall industry was still under pressures to improve the profitability. According to the data from the "Daily Wind Power (每日風電)", an official account under the China Wind Power News Network (中國風電新聞網), China's commercial bid for wind power machines reached 220.644 GW (including international projects and excluding centralized procurement framework tender projects). In 2024, the wind power tender volume exceeded expectations, laying the foundation for installations of 2025. Looking ahead to 2025, with the slowing pace of upsizing for onshore wind turbines, stabilizing prices of onshore wind turbine units, and growing global demand for offshore/onshore wind power installations, both demand and prices for wind power components are expected to increase.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Operation status

The product structure of the Group's high-purity iron business is mainly pig iron for high-end ductile casting, which is mainly characterized by extremely low content of harmful impurities such as phosphorus, sulfur, titanium and tension-active element, strong corrosion resistance and high tensile strength, and is positioned in the high-end market of the PRC's casting industry. This is attributable to the long-term and stable supply of high-quality raw iron ore concentrates from the Group's own mines on the one hand, and the Company's more than 10 years of advantages and experience in the production process of ductile casting iron for wind power, and many years of cooperative relations with major customers on the other hand. Relying on stable and high-quality raw materials, mature processes and experience accumulated over the years, and an annual production capacity of 930,000 metric tons in the market field of ductile casting iron, we provide high-end pig iron for ductile casting with stable quality and reliable quantity for customers of downstream castings.

In 2024, due to the fierce competition in the domestic high-purity pig iron industry, the overall market prices were on a downward trend. Facing the challenging external market environment, the Company has improved its management level and focused on continuing to stabilize production. The number of days the blast furnace running forward for the year has further increased, resulting in increased production efficiency. On the other hand, the Company anticipates market changes in advance, so as to adjust its purchasing direction and broaden its purchasing channels in a timely manner, further reducing its purchasing costs and completing the procurement of major raw materials with good quality and quantity. The output of high-purity iron was 757,000 metric tons, representing a year-on-year decrease of 13.09%, with 90.12% of the annual budget completed. For the uncompleted budget, it is mainly due to the Company's planned control of the output based on the market price changes of high-purity pig iron.

Developing new markets

The pig iron for high-end ductile casting produced by the Group is needed by more downstream enterprises of high-end casting industry due to its strong corrosion resistance and high tensile strength. In 2024, the Company worked with key customers to formulate technical indicators for new products while maintaining the stable signing of old customers in high-purity iron business. From a customer demand perspective, the Company successfully developed a large number of high-end new customers in other new areas. We will strengthen the market response ability of high-purity iron business and quickly adjust our strategy in response to market changes, to reduce the impact brought by fluctuations in a single industry profit to high-purity iron business and keep improving the added value of products. In 2024, the sales volume of high-purity iron was 753,000 metric tons, representing a year-on-year decrease of 15.96%, among which the sales volume of wind power ductile casting iron accounted for approximately 86% of the total sales volume. In 2024, the Group recorded a gross profit in high-purity iron of RMB62,741,000, representing a year-on-year increase of 329.70%, and a gross profit margin of 2.75%, representing a year-on-year increase of 2.23 percentage points.

Table 5 – Operation breakdown of high-purity iron business

	For the year ended 31 December		
	2024	2023	Change
Output (thousand metric tons)	**757**	871	(13.09%)
Sales volume (thousand metric tons)	**753**	896	(15.96%)
Average selling price (RMB per metric ton)	**2,990**	3,096	(3.42%)
Average cost of sales (RMB per metric ton)	**2,945**	3,089	(4.66%)
Revenue (RMB thousand)	**2,281,905**	2,783,782	(18.03%)
Gross profit (RMB thousand)	**62,741**	14,601	329.70%
Gross margin	**2.75%**	0.52%	Up 2.23 percentage points

For the year ended 31 December 2024, capital expenditures of the high-purity iron business amounted to RMB21,351,000 (2023: RMB12,126,000), mainly representing expenditures on plant, machinery and equipment and property.

IV. GOLD BUSINESS IN AUSTRALIA

1. Industry situation

According to the World Gold Council, the total annual global demand for gold (including over-the-counter transactions) reached 4,975 metric tons in 2024, achieving a record high, driven by continued strong central bank gold purchases and growth in investment demand. In 2024, global central banks continued to hoover up gold at an eye-watering pace, buying exceeded 1,000 metric tons for the third year in a row. In 2024, the average gold price was US$ 2,386 per ounce, with a year-on-year increase of 23%. Record high gold prices and demand also pushed the global gold demand to an unprecedented US$382 billion in 2024. Looking ahead to 2025, it is difficult to make a specific forecast as the policy of the new American government is still unclear, although the gold price cycle is upward, which may keep the range fluctuating. The potential upside of gold may come from the possible stronger-than-expected central bank demand or the inflow of safe-haven funds due to changes in the financial environment. Correspondingly, if the expected reversal in monetary policy leads to an increase in interest rates, it may pose a challenge to gold. Geopolitics may be the most uncertain factor affecting gold prices in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Operation status

Mt Bundy Gold Project in Northern Australia

The Mt Bundy Gold Project in the Northern Territory of Australia has approximately 3,010,000 ounces of JORC Code gold resources at an average grade of 0.9 gram/metric ton, and approximately 1,640,000 ounces of gold reserves at an average grade of 0.9 gram/metric ton. The definitive feasibility study report for the project has shown that it will be a robust, long life gold development project, with an average annual gold production of 170,000 ounces (approximately 5.5 metric tons) in the first 5 years of an initial 11+ years mine life. Details of the report are set out in the Company's announcement dated 13 November 2023.

The Northern Territory Government has listed the Mt Bundy Gold Project as a "major project" for government support. The necessary key approvals for mine production and foundation of the project, including mining licenses, indigenous rights permits and environmental impact assessment approvals, have been obtained. Currently, we are in communication with relevant government departments to obtain approval for the mine production plan. Preliminary construction work on the project, including water treatment plant, drainage system and power grid connection, has also been completed. At present, we are promoting more mineral processing experiments, daily environmental management and the operation of sewage treatment plants.

On 1 July 2024, HGM Resources Pty Ltd (the "**Vendor**"), a subsidiary of the Company, entered into a share sale agreement with Huineng Gold Pty Ltd (the "**Purchaser**") and Inner Mongolia Huineng Coal and Electricity Group Co., Ltd (as the guarantor, the ultimate holding company of the Purchaser), pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 100% of the shares in Primary Gold Pty Ltd ("**Primary Gold"**, a wholly-owned subsidiary of the Vendor) at the Purchase Price of AUD300 million plus the environmental bond amount of approximately AUD3,120,000. Primary Gold holds the exploration and development business and assets of Mt Bundy Gold Project. Since the signing of the agreement, the parties have cooperated well and have conducted a series of verification drilling and mineral processing tests, funded by the Purchaser, with results in line with expectations. As at the date of this report, the preconditions for the transaction have not been fully met (with only the foreign exchange approval of the Purchaser in the relevant departments of China government and the approval of the Purchaser in the Australian Foreign Investment Review Board (FIRB)) remaining outstanding), and the transaction has not yet been completed. Details of the transaction are set out in the Company's announcement dated 5 July 2024 and circular dated 22 August 2024.

The primary reason of the disposal of the Mt Bundy Gold Project is to concentrate our limited human and financial resources on the exploration, licensing and feasibility study for the development of our Cygnet Gold Project in Western Australia, thereby achieving our goal of becoming a gold producer more quickly.

Cygnet Gold Project in Western Australia

In 2024, the Company focused on the exploration of Cygnet Gold Project. In the Stage 1 exploration program, we implemented data exploration and reverse circulation drilling. Our exploration has achieved outstanding results, which increased the project's JORC Code resources by 17% to 1.38 million ounces of gold at an average grade of 3.9 gram/metric ton. High confidence categories of Measured and Indicated Resources accounted for 84% of the total resources. It is worth noting that even if at a more conservative cut off grade of 2.5 gram/metric ton, the total resource would be 1.21 million ounces of gold at an average grade of 4.26 gram/metric ton, confirming the high-grade nature of the Cygnet Gold Project. The Company immediately initiated the Stage 2 exploration program which focused on geotechnical drilling to provide engineering geological data for the approval of a mine development license.

In October 2024, the Company, through its subsidiaries, further acquired 36.64% of the shares in the company that owns the Cygnet Gold Project, increasing its shareholding to 93.37% and paving the way for future development of the project. Details of the transaction are set out in the Company's announcement dated 27 October 2024. At present, we are promoting the mineral processing experiment, mining plan preparation, development strategy planning and scope definition for the Cygnet Gold Project simultaneously.

In December 2024, the Company's subsidiary, Cygnet Gold, signed an agreement to acquire the Corinthia Gold Mine for a consideration of AUD9 million. The acquisition was completed in March 2025. The Corinthia Gold Mine has a resource of approximately 340 thousand ounces of gold which complies with JORC Code. Following the completion of this acquisition, the Cygnet Gold Project will be consolidated into a large-scale gold mining project, encompassing Golden Pig, Copperhead, and the newly acquired Corinthia. The combined total gold resources will reach 1.72 million ounces. Additionally, Corinthia is planned to serve as the processing plant site for the Cygnet Gold Project.

For the year ended 31 December 2024, capital expenditures of the gold business amounted to RMB37,465,000 (2023: RMB116,489,000), which mainly included operating expenditures on Cygnet Gold acquisition (shareholding increase), exploration, environmental assessment and mineral rights maintenance.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Resources and reserves

As at the end of 2024, the Group had JORC Code resources of approximately 4.38 million ounces of gold at an average grade of 1.1 gram/metric ton and reserves of approximately 1.64 million ounces of gold at an average grade of 0.9 gram/metric ton. Under the JORC Code, we cannot estimate Cygnet gold mine reserves at this time as pre-feasibility study has not been completed.

Table 6 – Gold mine resources as at the end of 2024

	Ore resources *(Mt)*	Measured grade *(g/t)*	Contained metal *(Koz Au)*	Ore resources *(Mt)*	Indicated grade *(g/t)*	Contained metal *(Koz Au)*	Ore resources *(Mt)*	Inferred grade *(g/t)*	Contained metal *(Koz Au)*	Ore resources *(Mt)*	Total grade *(g/t)*	Contained metal *(Koz Au)*
Mt Bundy Project												
Rustlers Roost	–	–	–	63.4	0.8	1,533	28.4	0.5	491	91.9	0.7	2,023
Quest 29	–	–	–	8.3	1.0	261	5.9	1.1	207	14.2	1.0	468
Tom's Gully	–	–	–	2.3	6.3	459	0.3	6.1	55	2.5	6.3	514
Subtotal	–	–	–	74.0	0.9	2,253	34.6	0.7	753	108.6	0.9	3,006
Cygnet Project												
Golden Pig	0.1	4.4	8	4.5	3.9	564	1.3	3.1	127	5.9	3.7	699
Copperhead	–	–	–	4.4	4.1	581	0.8	3.9	97	5.1	4.1	679
Subtotal	0.1	4.4	8	8.9	4.0	1,145	2.1	3.4	225	11.0	3.9	1,378
Total	0.1	4.4	8	82.9	1.3	3,398	36.7	0.8	978	119.6	1.1	4,384

Table 7 – Gold mine reserves as at the end of 2024

	Resource category	Ore resources (Mt)	Grade (g/t)	Contained metal (Moz Au)
Mt Bundy Project				
Rustlers Roost	Probable	**48.5**	0.8	1.24
Quest 29	Probable	**5.1**	0.9	0.14
Tom's Gully	Probable	**1.4**	5.4	0.25
Subtotal	Probable	**55.0**	0.9	1.64
Cygnet Project*	Probable	**–**	–	–
Total	Probable	**55.0**	0.9	1.64

* *According to JORC Code, proved reserves can only be announced after the completion of the pre-feasibility study report of the project.*

Note: Due to rounding, the figures on the table may not add up to the total provided.

V. PROSPECT AND COUNTERMEASURES

Mineral resources are the cornerstones of the Group's business. In terms of the iron ore business, the Group will proceed with exploration in the existing mines and surrounding areas and promote the relevant work of further developing and using newly-added resources to continuously enhance the Group's high quality iron ore resources reserves. We continuously optimize our management through smart mine system construction, thereby reducing costs and increasing efficiency. In 2025, the Group plans to produce approximately 950,000 metric tons of iron concentrate, so as to solidify its competitive advantages of high quality and low cost.

In 2025, the Group plans to produce approximately 830,000 metric tons of high-purity iron, taking advantages of Hanking's superiority in resources, production capacity, technology and market in high-purity iron sector to provide high-quality raw materials for the wind power industry, and seek to expand the share of clients in other high-end manufacturing applications.

In 2025, for the gold business, the Group will focus on the exploration, feasibility study and various government approvals required for the construction of the Cygnet Gold Project in Western Australia. The Company aims to become a gold producer within two years. Our future plan is to consider further acquisition based on self-owned fund. There are no proposed acquisition projects at the momment.

The Board would like to emphasize that due to the uncertainties in metal prices, the domestic raw materials market and the production environment, the above plans are made solely on the basis of the current market situation and the existing conditions of the Group. The Board may adjust the relevant production plan subject to any changes in the circumstances.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

As of 31 December 2024, the Group did not have any concrete plans to make any material investment or acquire capital assets other than those carried out in its ordinary course of business. The Group will keep abreast of the changing market conditions and proactively identify investment opportunities in order to broaden the revenue base of the Group and enhance its future financial performance and profitability.

MANAGEMENT DISCUSSION AND ANALYSIS

SAFETY, ENVIRONMENTAL PROTECTION, EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, the Group had a total of 1,714 employees (as at 31 December 2023: 1,762 employees). For the year ended 31 December 2024, the aggregate remuneration expenses and other employee benefits costs of the Group amounted to RMB207,997,000 (2023: RMB219,324,000). Employee costs include basic salary, commission and bonus, housing allowance, pension, medical insurance, occupational injury insurance and other insurances required by the government. In accordance with the remuneration policy of the Company, the income of employees is related to the performance of individual employees and the operating performance of the Company. The Company carried out performance assessment to motivate employees, so as to enhance its operating performance. In order to improve the overall quality and professional skills of the employees, the Group has developed and implemented the Administrative System on Training.

For details on safety, environmental protection and employee development of the Group for the year 2024, please refer to the Environmental, Social and Governance Report of the Company for the year 2024 to be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company's website at www.hankingmining.com.

FINANCIAL REVIEW

1. Revenue, Cost of Sales, Gross Profit

For the year of 2024, the Group's revenue was RMB2,484,150,000, representing a decrease of RMB544,005,000 or 17.96% as compared to last year. The decrease was mainly due to the fact that the selling volume of high-purity iron in 2024 decreased by approximately 143,000 metric tons and the sales price decreased by RMB106 per metric ton as compared to last year, resulting in a decrease in revenue of RMB521,924,000.

For the year of 2024, cost of sales incurred by the Group amounted to RMB1,810,591,000, representing a decrease of RMB595,614,000 or 24.75% as compared to last year, mainly due to the combined effect of a decrease in the sales volume of high-purity iron of approximately 143,000 metric tons and a decrease in unit cost as compared to last year.

For the year of 2024, gross profit of the Group was RMB673,559,000, representing an increase of RMB51,609,000 or 8.30% as compared to last year. As compared to last year, gross margin of the Group increased from 20.54% to 27.11% in 2024.

Analysis on the revenue by major products

	For the year ended 31 December 2024 RMB'000				For the year ended 31 December 2023 RMB'000			
	Iron ore business	High-purity iron business	Others	Total	Iron ore business	High-purity iron business	Others	Total
Iron ore concentrates	200,318	–	–	200,318	245,680	–	–	245,680
High-purity iron	–	2,252,706	–	2,252,706	–	2,774,630	–	2,774,630
Others	3,840	23,409	3,877	31,126	1,060	3,190	3,595	7,845
Total	204,158	2,276,115	3,877	2,484,150	246,740	2,777,820	3,595	3,028,155

2. Other Income, Other Expense, Other Gains and Losses, Expected Credit Losses

For the year of 2024, other income of the Group was RMB12,855,000, representing a decrease of RMB10,413,000 or 44.75% as compared to last year. Other income mainly represented interest income and government grants. The decrease in other income was mainly due to the decrease in interest income caused by the decrease in margin deposits.

For the year of 2024, other losses and other expense of the Group were RMB17,659,000, representing a decrease of RMB24,480,000 or 58.09% over last year, mainly attributable to the Group's provision for impairment of interests in associates of RMB5,975,000 for the year of 2024 as a result of continuous loss in associates, as compared to the Group's provisions for impairment of interests in associates and of long-lived assets totaling RMB31,059,000 for the year of 2023. Other losses mainly consisted of the impairment loss of assets, foreign exchange losses, disposal gains or losses of available-for-sale financial assets, net gain or loss from disposal of properties, plants and equipment, and other overheads, etc. Other expense represented donation expenditure.

For the year of 2024, the reversal of impairment loss under the Group's expected credit loss model was RMB1,067,000, representing an increase of RMB466,000 or 77.54% as compared to the reversal of impairment loss last year. The Group has, upon more due consideration, made provision for an impairment loss on receivables under expected credit loss model according to the historical settlement pattern, industry practice, the Group's historical actual loss experience and general economic conditions of the industry in which the debtors operate.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Distribution and Selling Expenses, Administrative Expenses

For the year of 2024, the distribution and selling expenses of the Group were RMB88,106,000, representing a decrease of RMB9,845,000 or 10.05% as compared to last year, which was mainly due to the decrease in sales volume of high-purity iron of approximately 143,000 metric tons as compared to last year and the change in delivery distance of customers resulting in a decrease of RMB9,862,000 in the distribution and selling expenses. Selling and distribution expenses consisted of transportation expenses, labour expenses and others.

For the year of 2024, the administrative expenses of the Group were RMB208,344,000, representing a decrease of RMB16,321,000 or 7.26% as compared to last year. Administrative expenses included remuneration paid to the management and administrative staff of the Group, depreciation and amortization, leasing and office expenses, business development expenses, professional consultation and service expenses, taxation expenses, bank charges and others.

4. Finance Costs and Income Tax Expense

For the year of 2024, the finance costs of the Group were RMB67,518,000, representing a decrease of RMB2,808,000 or 3.99% as compared to last year. Finance costs included interest expenses on bank borrowings, discount expenses and other finance expenses. The decrease in finance costs for the year as compared to last year was mainly due to the decrease in bill discount expenses.

For the year of 2024, the income tax expense of the Group was RMB123,571,000, representing an increase of RMB70,863,000 or 134.44% as compared to the income tax expense last year. Income tax expense included the total amount of current tax payable and deferred tax.

5. Profit for the Year and Total Comprehensive Income

Based on the aforesaid reasons, the Group's profit for the year of 2024 was RMB175,549,000, representing an increase of RMB24,652,000 or 16.34% as compared to last year.

Based on the profit for the year, and affected by the changes in fair values of financial assets measured at fair value through other comprehensive income and foreign currency translation etc., the total comprehensive income of the Group for the year of 2024 was RMB148,996,000, representing a decrease of RMB18,217,000 or 10.89% as compared to last year.

6. Property, Plant and Equipment, Inventories, Intangible Assets

As at 31 December 2024, the net value of property, plant and equipment of the Group was RMB654,085,000, representing a decrease of RMB82,158,000 or 11.16% as compared to the end of last year.

As at 31 December 2024, the inventories of the Group were RMB261,314,000, representing an increase of RMB28,958,000 or 12.46% as compared to the end of last year, due to the stocking up of high-purity iron business in advance as the 2025 Spring Festival was in January, resulting in the increase in inventories.

As at 31 December 2024, the intangible assets of the Group were RMB279,655,000, representing a decrease of RMB284,910,000 or 50.47% as compared to the end of last year. The decrease was mainly due to the approval of the sale of 100% of the shares of Primary Gold and its subsidiaries during the year, which was expected to be completed within twelve months, thus reclassifying those assets related to the equity disposal as assets held for sale.

7. Trade and Other Receivables, Trade and Other Payables

As at 31 December 2024, trade receivables of the Group were RMB156,299,000, representing an increase of RMB69,413,000 as compared to the end of last year, deducting the effect of RMB49,600,000 for factoring the third party trade receivables to non-bank financial institutions, representing an increase of RMB19,813,000 as compared to last year.

As at 31 December 2024, other receivables of the Group were RMB66,332,000, representing a decrease of RMB35,089,000 as compared to the end of last year. Such decrease was due to the recovering of receivables due from third parties.

According to the requirements of IFRS 9 Financial Instruments, the Group has classified the bills receivables as the receivables at fair value through other comprehensive income based on the characteristics of the business model and contractual cash flow. The fair value and expected credit losses were assessed by the Group at the end of the reporting period, with the changes in the fair value included in other comprehensive income and the expected credit losses included in impairment losses under expected credit loss model.

As at 31 December 2024, bills receivables of the Group (bank acceptance bills) were RMB286,076,000, representing a decrease of RMB108,609,000 as compared to the end of last year, mainly due to the maturity of some discounted and endorsed bills. Undiscounted and unendorsed bank acceptance bills were RMB17,726,000, which can be discounted or endorsed at any time to satisfy the capital requirements.

As at 31 December 2024, trade payables of the Group were RMB195,391,000, representing a decrease of RMB50,261,000 as compared to the end of last year, including the decrease of RMB42,342,000 in accounts payable that has endorsed bills receivable to suppliers but not derecognised in their entirety. As at 31 December 2024, other payables of the Group were RMB129,160,000, representing a decrease of RMB32,511,000 as compared to the end of last year, mainly due to the decrease in payables and other taxes payable for acquisition of property, plant and equipment.

8. Cash Use Analysis

The summary of the Group's consolidated statement of cash flows for the year of 2024 is set out below.

	For the year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Net cash flows from operating activities	**178,669**	318,965
Net cash flows from investing activities	**(68,217)**	(114,973)
Net cash flows from financing activities	**(22,012)**	(67,160)
Net increase in cash and cash equivalents	**88,440**	136,832
Cash and cash equivalents at the beginning of the year	**270,258**	134,411
Cash and cash equivalents classified as assets held for sale	**(1,817)**	—
Effect of changes in foreign exchange rate on cash and cash equivalents	**1,247**	(985)
Cash and cash equivalents at the end of the year	**358,128**	270,258

The net cash inflow from operating activities during the year of 2024 was RMB178,669,000. The amount was mainly attributed to the profit before tax of RMB299,120,000, together with depreciation and amortization of RMB139,703,000, finance costs of RMB67,518,000, which were offset by the net change in working capital of RMB173,558,000 and the payment of income tax of RMB162,782,000.

For the year of 2024, the net cash outflow from investing activities amounted to RMB68,217,000. This amount mainly included the amount of RMB61,748,000 paid for the addition of plant and equipment as well as acquisition of properties in order to achieve expansion of production capacity and technological upgrade, the amount of RMB67,273,000 paid for the acquisition of intangible assets, the amount of RMB9,265,000 paid for the purchase of right-of-use assets, the amount of RMB92,311,000 paid for the acquisition of non-controlling equity of the Cygnet Gold Project in Western Australia, the amount of RMB13,854,000 paid for the acquisition of subsidiaries, the recovery of third-party borrowings of RMB36,600,000, interest income of RMB8,421,000 and the net recovery of borrowings and bills deposits of RMB118,782,000.

For the year of 2024, the net cash outflow from financing activities was RMB22,012,000, which was mainly from the new bank borrowings of RMB714,629,000, the repayment of bank borrowings of RMB504,172,000, the net outflow from notes financing of RMB98,172,000, the settlement of loan interest of RMB65,429,000 and the payment of dividend of RMB69,695,000.

Going forward, it is envisaged that the Group will continue to meet its working capital needs primarily through its operating activities and the other financial resources available to the Group, with due consideration of the cash and cash equivalents on hand, and the maturity profile and the successful rate applied in rolling over the bank borrowings.

9. Cash and Borrowings

As at 31 December 2024, the available cash and bank acceptance bills of the Group amounted to RMB375,854,000, representing an increase of RMB12,562,000 or 3.46% as compared to the end of last year.

Breakdown of Available Cash and Bank Acceptance Bills

	31 December 2024 RMB'000	31 December 2023 RMB'000	Changes Amount RMB'000	Ratio
Cash and bank balance	**358,128**	270,258	87,870	32.51%
Bank acceptance bills (undiscounted and unendorsed)	**17,726**	93,034	-75,308	-80.95%
Available cash and bank acceptance bills	**375,854**	363,292	12,562	3.46%

As at 31 December 2024, bills payables and borrowings of the Group amounted to RMB594,578,000 and RMB895,857,000, respectively, and the amount net of borrowings and bills deposits was RMB808,091,000, representing an increase of RMB74,205,000 or 10.11% as compared to the end of last year.

Breakdown of Borrowings and Bills Payables

	31 December 2024 RMB'000	31 December 2023 RMB'000	Changes Amount RMB'000	Ratio
Borrowings – due within one year	**895,857**	728,621	167,236	22.95%
Borrowings – due after one year	**—**	55,000	-55,000	-100.00%
Subtotal	**895,857**	783,621	112,236	14.32%
Bills payables	**594,578**	692,750	-98,172	-14.17%
Total	**1,490,435**	1,476,371	14,064	0.95%
Less: borrowings and bills deposits	**526,156**	644,938	-118,782	-18.42%
Less: discounted bank acceptance bills	**106,588**	97,547	9,041	9.27%
Less: factored trade receivables	**49,600**	—	49,600	100.00%
Net borrowings and bills payables	**808,091**	733,886	74,205	10.11%

Save for the information disclosed above or otherwise in this report, the Group has no outstanding mortgage, pledge, debentures or other loan capital issued or agreed to be issued, bank overdrafts, loans, liabilities under acceptance or other similar liabilities, hire purchase and finance lease commitments, or any guarantees or other material contingent liabilities. The Directors have confirmed that, save as disclosed above, there were no material changes in the debts and contingent liabilities of the Group from 31 December 2023.

10. Gearing Ratio

The gearing ratio of the Group as at 31 December 2024 was 59.87%, which was the same as that at the end of last year. The gearing ratio was calculated by dividing total liabilities by total assets.

The Group's net gearing ratio decreased from 31.96% as at 31 December 2023 to 31.21% as at 31 December 2024. The net gearing ratio is calculated by dividing net borrowings and bills payables net of borrowings and bills deposits as well as bank balance and cash by total equity.

11. Major Risks

Reliance upon major suppliers: For the year ended 31 December 2024, purchases from five largest suppliers of the Group accounted for approximately 73.42% of the total purchases, among which purchases from the largest supplier accounted for 26.28% of total purchases. The Group did not enter into any long-term contracts with purchase responsibility with its suppliers. There is no guarantee that the Group will not suffer a shortage impact from any supplier. If any major supplier reduces its volume of supply to the Group, the Group may seek other suppliers on similar and acceptable terms and conditions. Failure to do so may disrupt the Group's production and increase its production cost, which in return may have a significant adverse impact on the Group's business, financial condition, operating results and growth prospects.

Commodity price risk: The prices of the Group's products are influenced by international and domestic market prices and changes in global supply and demand for such products. Price volatility of non-ferrous metals is also affected by the global and PRC economic cycles as well as the fluctuations of the global currency markets. Both the international and domestic market prices of non-ferrous metals as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity prices may materially affect the turnover and the comprehensive income of the Group.

State policy risk: The Group owns assets in China and Australia, which may amend their policies according to any changes in the macro environment from time to time. Changes in policies are beyond the control of the Group, which will have a material effect on the operation of the Group.

Interest rate risk: The interest rate risk in the fair value of the Group mainly relates to the bank borrowings. The management of the Group will continue to monitor the loan portfolio and interest rate risks of the Group, and may consider taking appropriate measures to hedge material interest rate risks when necessary.

Foreign exchange risk: As of the date of this report, the reporting currency of the Group was RMB. Since RMB is not freely convertible, the risk that the Chinese government may take measures to interfere exchange rates may bring effects to the Group's net asset value, profit and the dividends declared to the extent that such dividends are subject to foreign exchange. In addition, the Group owns assets in Australia. Their assets and liabilities are denominated in AUD, which are subject to fluctuation in the foreign exchange rate and may affect the net assets value and profit of the Group to some extent. The management of the Group will continue to monitor the currency matching between the revenue and costs of the Group and exchange risks, and may consider taking appropriate measures to hedge material exchange risks when necessary.

12. Pledge of Assets and Contingent Liabilities

Some of the bank borrowings and bills payables of the Group are secured by bank deposits, bank acceptance bills, property, plant and equipment, mining rights as well as right-of-use assets. As at 31 December 2024, the net carrying value of the pledged bank deposits, bank acceptance bills, trade receivables, property, plant and equipment, mining rights and right-of-use assets amounted to RMB526,156,000, RMB106,588,000, RMB48,494,000, RMB52,250,000, RMB35,746,000 and RMB41,043,000, respectively.

As at 31 December 2024, the Group had no material contingent liabilities.

13. Capital Commitment

As at 31 December 2024, the capital commitment of the Group was RMB41,544,000, representing an increase of RMB18,893,000 or 83.41% as compared to last year. The amount mainly represents the agreements signed by Cygnet Gold to acquire a tenement of the mining lease and the right to a mine with the total purchase prices of AUD9,000,000 (equivalent to RMB40,563,000). The acquisitions have been completed in March 2025.

14. Capital Expenditure

The Group's capital expenditure decreased from RMB218,120,000 in 2023 to RMB139,793,000 in 2024. Expenditure incurred in 2024 mainly included (i) expenditures for plants, machines and equipment and properties amounting to RMB44,223,000; (ii) expenditure for intangible assets amounting to RMB78,393,000; and (iii) increase of RMB17,177,000 in right-of-use assets.

15. Significant Investments Held

As at 31 December 2024, the Group did not hold any significant investments.

MANAGEMENT DISCUSSION AND ANALYSIS

16. Material Acquisitions and Disposals of Subsidiaries and Associated Companies

On 25 October 2024, the Company further acquired 36.64% of the shares of the company affiliated to the Cygnet Gold Project through its subsidiaries, and accordingly the shareholding ratio increased to 93.37%, with a consideration of AUD19,380,000 (equivalent to RMB 92,311,000) for the acquisition.

On 1 July 2024, HGM Resources Pty Ltd (a subsidiary of the Company) (the "Vendor") signed a share sale agreement with Huineng Gold Pty Ltd (the "Purchaser") and Inner Mongolia Huineng Coal and Electricity Group Co., Ltd (the ultimate holding company of the Purchaser, as the guarantor), pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 100% of the shares in Primary Gold (a wholly-owned subsidiary of the Vendor) at the purchase price of AUD300 million plus the environmental bond amount of approximately AUD3,120,000. As at the date of this report, the conditions precedent to the transaction have not been satisfied and the transaction has not been completed. The transaction was expected to be completed within twelve months. The relevant assets and liabilities of Primary Gold have been classified as assets held for sale and liabilities associated with assets classified as held for sale, and were presented separately in the consolidated statement of financial position.

Save as disclosed above, the Group had no material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year of 2024.

17. Significant Subsequent Events

Save as disclosed in this report, there were no other significant events taken place subsequent to the year ended 31 December 2024.

18. Material Changes

Save as disclosed in this report, there have been no material changes in respect of the future development of the business of the Group (including the Company's prospects for the current financial year) since the publication of the Company's 2024 interim report.

REPORT OF THE DIRECTORS

1. PRINCIPAL ACTIVITIES

Being a high-quality material supplier for the new energy industry, the Company relies on its own high-quality iron ore resources to produce wind power ductile casting iron products, and also engages in the development of gold mine projects in Australia. Details of the principal subsidiaries of the Company are set out in note 39 to the consolidated financial statements.

2. BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the future business development are provided in the section headed "Chairman's Statement" of this annual report. Description of possible risks and uncertainties that the Group may be facing can be found in paragraph 11 "Major Risks" of the section headed "Financial Review". Also, the financial risk management objectives and policies of the Group can be found in note 46 to the consolidated financial statements. A financial summary of the Group is provided on page 5 of this annual report, setting out an analysis of the Group's performance during the year using key financial performance indicators. In addition, discussions on the Group's environmental policies, relationships with its stakeholders and the Group's compliance with the relevant laws and regulations which have a significant impact on the Group are contained in the sections headed "Corporate Governance Report" and "Report of the Directors" of this annual report respectively, which can also be found in the Environmental, Social and Governance Report of the Company.

3. RESULTS

The profit of the Group for the year ended 31 December 2024, and the financial position of the Group as at that date are set out on pages 79 to 81 of this annual report. The financial position of the Company as at 31 December 2024 is set out in note 49 to the consolidated financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group and the Company for the year ended 31 December 2024 are set out in note 18 to the consolidated financial statements.

5. SHARE CAPITAL

As at 31 December 2024, the total number of authorized Shares of the Company was 10,000,000,000 Shares with a par value of HKD0.1 each, the total authorized capital was HKD1,000,000,000, and the number of Shares in issue was 1,960,000,000 Shares. During the year, there was no change in the share capital of the Company.

6. PRE-EMPTION RIGHT

Pursuant to the Articles of Association of the Company and the laws of the Cayman Islands (the place where the Company was incorporated), no provision in relation to pre-emption rights shall be applicable to the Company.

7. DISTRIBUTABLE RESERVE

The share premium of the Company is available for paying distributions or dividends to the Shareholders subject to the provisions of the Articles of Association and provided that immediately following the distribution or dividend payment the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Articles of Association, dividends can be distributed out of the profits, special reserve and share premium of the Company. The Company's reserve available for distribution to the Shareholders as at 31 December 2024 amounted to approximately RMB59,386,000.

8. DIVIDEND

During the reporting period, the Company declared and distributed a dividend of HKD0.02 per Share for the six months ended 30 June 2024 to the owners of the Company whose names appeared on the register of members on 9 October 2024, totaling HKD39,200,000 (equivalent to RMB35,945,000). Details of which are set out in the interim results announcement of the Company dated 23 August 2024.

As at the date of this report, the Company is not aware of any arrangement whereby any Shareholder has waived or agreed to waive any dividend.

The "Dividend Distribution Plan for Shareholders for the Three Years (2023-2025)" of the Company

1. Principle of Formulation

The profit distribution policy of the Company should be consistent and stable. The Company's profit distribution shall focus on providing investors with reasonable investment return as well as maintaining the sustainable development of the Company. From 2023 to 2025, the Company will actively distribute profits in form of cash. This plan is formulated in compliance with the relevant laws, regulations and the Articles of Association, and on the premise that the consistency and stability of the profit distribution policy have been maintained.

2. Formulation of Dividend Plan

The Board shall comprehensively consider factors such as the characteristics of the industry in which the Company operates, conditions of business operation, profitability and the strategic development plan for the future, and formulate dividend plan upon the conclusion of each accounting year according to the procedures stipulated in the Articles of Association, provided that the amount of dividend shall account for at least 30% of the Group's total net profit for the period.

3. Forms of Profit Distribution

The Company will make interim and annual profit distribution. The Company may distribute profits in form of cash, shares, a combination of cash and shares or other forms that may be permitted by the laws and regulations. Where the conditions for cash dividends are satisfied, the Company shall prioritize the distribution of cash dividends. Where the Company distributes profits by way of dividends on shares, the decision shall be made based on genuine and reasonable grounds such as the Company's growth potentials and dilution of net assets per share.

Subsequent to the end of the reporting period, the Board recommended the payment of a final dividend of HKD0.02 (2023: HKD0.02) per Share for the year ended 31 December 2024 to the Shareholders. In addition to the interim dividend of HKD0.02 per Share already paid on 18 October 2024, a total dividend of HKD0.04 per Share will be paid in 2024. The payment of the final dividend will be distributed upon the approval of the Shareholders at the upcoming annual general meeting of the Company. It is expected that the final dividend will be paid to the Shareholders by 16 June 2025.

Closure of Register of Members

The annual general meeting of the Company is scheduled to be held on Tuesday, 20 May 2025. The register of members of the Company will be closed from Tuesday, 13 May 2025 to Tuesday, 20 May 2025 (both days inclusive) to determine the entitlement to attend and vote at the annual general meeting. In order to attend and vote at the 2025 annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Monday, 12 May 2025.

In order to determine the Shareholders who are entitled to receive the final dividend, the register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both days inclusive, during which period no transfer of shares will be registered. For unregistered Shareholders who wish to be eligible to receive the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 2 June 2025. Shareholders whose names appear on the register of members of the Company on Friday, 6 June 2025 will be entitled to receive the final dividend.

9. PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2024, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules) of the Company, if any). The Company did not have any treasury shares as at 31 December 2024.

10. MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, according to the Listing Rules, the purchase from the Company's five largest suppliers in aggregate accounted for 73.42% of the Company's total purchase for the year. In particular, the total purchase from the largest supplier accounted for 26.28% of the Company's total purchase for the year. Payment terms with the five largest suppliers are mainly on credit within 15 days from the time when the goods are received from suppliers.

The following table shows the details of the major suppliers for the year ended 31 December 2024:

Name of supplier	Major raw materials purchased from the supplier	Amount of raw materials purchased from the supplier (RMB'000)	Percentage of the Company's total purchase for the year	Background of the supplier	Years of business relationship as at 31 December 2024
Supplier A	Coke	325,016	26.28%	Private company	7
Supplier B	Coke	216,511	17.51%	Private company	3
Supplier C	Coke	153,942	12.45%	Private company	3
Supplier D	Iron ore concentrate	135,863	10.99%	Private company	5
Supplier E	Iron ore concentrate	76,585	6.19%	Private company	3

For the year ended 31 December 2024, the sales to the Company's five largest customers in aggregate contributed 38.95% to the Company's total sales for the year. In particular, the sales to the largest customer contributed 17.12% to the Company's total sales for the year.

So far as the Directors are aware, none of the Directors and close associates (as defined in the Listing Rules) of the Directors or Shareholders (who, to the knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the five largest suppliers or customers during the year.

KEY RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

Employees

The Group recognises that employees are its most important and valuable assets, while striving to develop a fair, respectful, diversified, cooperative and friendly corporate culture and working environment. With a view to enhancing the satisfactory level of the staff, the Group provides the staff with competitive remuneration packages and implements a sound performance appraisal system with appropriate incentives, and offers comprehensive training programmes, so as to encourage the staff to reach their full potential and contribute their talents.

Suppliers and customers

The Group has formulated criteria for selection of suppliers, in terms of their product offers and operational scale, etc. The Group strives to cooperate and maintain communication with its suppliers to achieve mutual benefit and prosperity for all. The Group strives to provide stable and long term supply of quality products to its customers. During the year ended 31 December 2024, the Group had maintained good working relationship with its suppliers and customers.

For further details, please refer to the 2024 Environmental, Social and Governance Report of the Company.

11. BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings of the Group as at 31 December 2024 are set out in note 34 to the consolidated financial statements.

12. DIRECTORS AND SENIOR MANAGEMENT

The following table sets forth certain information concerning the Directors and senior management of the Company during the year and up to the date of this report:

Name	Position in the Group	Date of Appointment/Re-election	Position and Date of Resignation
Yang Jiye	Executive Director, Chairman of the Board and Chief Executive Officer and President	Appointed as Chief Executive Officer and President on 20 March 2018 Re-elected as executive Director on 23 May 2024	N/A
Zheng Xuezhi	Executive Director, Chief Operating Officer and Executive Vice President	Appointed as Chief Operating Officer and Executive Vice President on 23 March 2023 Re-elected as executive Director on 24 May 2023	N/A
Qiu Yumin	Executive Director, Vice President and chief executive officer and president of Hanking Australia	Appointed as chief executive officer and president of Hanking Australia on 25 July 2016 Re-elected as executive Director on 26 May 2022	N/A
Zhang Jing	Executive Director,Board Secretary, Joint Company Secretary and manager of investor relationship department	Appointed as Joint Company Secretary of the Company on 24 August 2018 Appointed as executive Director on 23 May 2024	N/A
Xia Zhuo	Non-executive Director	Re-elected as non-executive Director on 26 May 2022	N/A
Zhao Yanchao	Non-executive Director	Appointed as non-executive Director on 23 May 2024	N/A
Wang Ping	Independent non-executive Director	Re-elected as independent non-executive Director on 26 May 2022	N/A
Wang Anjian	Independent non-executive Director	Re-elected as independent non-executive Director on 24 May 2023	N/A
Zhao Bingwen	Independent non-executive Director	Appointed as independent non-executive Director on 23 May 2024	N/A
Huang Jinfu	Vice President and director of Aoniu Mining	Appointed as Vice President of the Company on 24 August 2018	N/A
Gao Yue	Chief Financial Officer	Appointed as Chief Financial Officer of the Company on 27 May 2021	N/A
Kenneth Lee	Non-executive Director	Re-elected as non-executive Director on 24 May 2023	Resigned as non-executive Director on 23 May 2024
Ma Qingshan	Independent non-executive Director	Re-elected as independent non-executive Director on 27 May 2021	Resigned as independent non-executive Director on 23 May 2024

According to the requirement under Article 84(1) of the Articles of Association, at each annual general meeting, one third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors, being eligible, may offer themselves for re-election. Dr. Qiu Yumin, Mr. Xia Zhuo and Mr. Wang Ping will retire as Directors at the upcoming annual general meeting of the Company and being eligible, offer themselves for re-election as Directors. In view that Mr. Wang Ping has been an independent non-executive Director for more than nine years, his re-election and further appointment as an independent non-executive Director shall be subject to a separate resolution to be considered and approved by the Shareholders at the forthcoming annual general meeting of the Company pursuant to Rule B.2.3 of the Corporate Governance Code.

13. BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Detailed biographies of Directors and senior management of the Company are set out on pages 66 to 70 of this annual report.

14. DIRECTORS' SERVICE CONTRACT

The Company has entered into a director service contract with each of the Directors, the major terms of which are that the service contracts shall be: (1) for a term of three years commencing from 17 March 2024 (in the case of Mr. Yang Jiye, Mr. Zheng Xuezhi, Dr. Qiu Yumin, Ms. Zhang Jing, Mr. Xia Zhuo, Mr. Zhao Yanchao, Mr. Wang Ping, Dr. Wang Anjian and Mr. Zhao Bingwen); and (2) terminated or renewed in accordance with their respective contract terms.

Save as disclosed above, the Directors have not signed with the Company service contracts that cannot be terminated by the Company without compensation (exclusive of statutory compensation) within one year.

15. CONFIRMATION OF INDEPENDENCE

The Company has received the written confirmation of their independence for 2024 from each of the independent non-executive Directors and considered them to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgment.

16. REMUNERATION FOR DIRECTORS AND TOP 5 HIGHEST PAID EMPLOYEES

Detailed information on remuneration for Directors and top 5 highest paid employees are provided in notes 14 and 15 to the consolidated financial statements.

For the year ended 31 December 2024, none of the Directors has agreed with the Company to waive any remuneration.

The remuneration for the Directors was proposed by the Remuneration Committee and approved by the Board. The Remuneration Committee would take into account (among others) remuneration paid by comparable companies, conditions of employment, responsibilities and individual performance when proposing the remuneration.

17. RESTRICTED SHARE AWARD SCHEME

The Company adopted a Restricted Share Award Scheme (the "**Scheme**") on 29 August 2019 which shall be valid and effective for a period of 10 years. The remaining life of the Scheme is around 4 years. The purpose and objective of the Scheme is (i) to recognize and motivate the contribution of the key management personnel and core employees of the Group; (ii) to help the Group retain and attract the Selected Participants (as defined below) in attaining the long term business objectives of the Company; and (iii) to further align the interests of the Selected Participants directly to the Shareholders through ownership of Shares.

Pursuant to the Scheme, the Board may, from time to time, in its absolute discretion, decide the eligible participants (the "**Selected Participants**") after taking into consideration various factors as they deem appropriate and determine the number of shares to be granted (the "**Award Shares**") to each of the Selected Participants and the grant price of the Award Shares (the "**Grant Price**"). The eligible participants include Directors, senior management and core employees of the Group. In determining the Grant Price for each Selected Participant, the Board shall take into consideration matters, including but not limited to, the Selected Participant's position, experience, years of service, performance and contribution to the Group and the market price of the Shares.

The maximum number of Award Shares that may be granted under the Scheme in aggregate shall be no more than 90,000,000 Shares, representing 4.59% of the total issued Shares as at the date of this report. There is no limitation on the maximum entitlement of each Selected Participants under the Scheme.

The Company, as the settlor, has entered into a trust deed with First Shanghai Securities Limited (第一上海證券有限公司) (the "**Trustee**") in respect of the appointment of the Trustee for the administration of the Scheme. The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme (the "**Scheme Rules**") and the trust deed. The Board may act through its authorized representative and has duly authorized the Chief Executive Officer and President of the Company to give instructions or notices to the Trustee on matters in connection with the operation and administration of the Scheme and the trust. The Trustee shall hold the Shares and the income derived therefrom in accordance with the Scheme Rules and the terms of the trust deed.

Pursuant to the Scheme Rules, the Board shall cause to pay the Trustee the purchase price and the related expenses from the Group's resources for the Award Shares and the Trustee shall apply the purchase price to purchase from the market all of the Award Shares to be awarded under the Scheme and shall hold such Shares until they are vested with the Selected Participants in accordance with the Scheme Rules and the trust deed. For the avoidance of doubt, all Shares purchased as aforesaid shall only be used for allocation to the Selected Participants in accordance with the Scheme Rules.

The Award Shares and any rights and interests (including voting rights) therein may not be enjoyed, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by the Selected Participants before the Award Shares are vested. The Board may also impose additional restrictions as it deems appropriate.

A Selected Participant shall be entitled to receive the Award Shares held by the Trustee, and Award Shares shall vest in three (3) years, of which one third of a Selected Participant's applicable Award Shares shall become vested upon each of the first anniversary, the second anniversary, and the third anniversary.

The Trustee shall not exercise the voting rights in respect of any Shares held under the trust including but not limited to the Award Shares.

As of the date of this report, the Trustee, as instructed by the Board, had purchased a total of 39,539,000 Shares on the market at a total consideration of HKD50,438,200 (No Shares were purchased during the year ended 31 December 2024). The Trustee holds these Shares pursuant to the Scheme Rules and the terms of the trust deed. Since the adoption of the Scheme and up to the date of this report, no Award Shares have been granted to any Selected Participants under the Scheme. Accordingly, 90,000,000 Award Shares were available for grant under the Scheme as at 1 January 2024, 31 December 2024, and as at the date of this report (representing approximately 4.59% of the issued Shares as at the date of this report). There is no service provider sublimit under the Scheme.

For further details of the Scheme, please refer to the announcement of the Company dated 29 August 2019.

18. CONTRACTS OF SIGNIFICANCE

For the year ended 31 December 2024, save as disclosed in note 48 to the consolidated financial statements, the Company has not directly or indirectly entered into transactions, arrangements or contracts of significance, in which any Director had material interests, and which were relevant to the business of the Company and remained valid at any time during the year or at the end of the year.

For the year ended 31 December 2024, save as disclosed in note 48 to the consolidated financial statements, neither the Company nor any of its subsidiaries have signed a significant contract with the Controlling Shareholders or any of its subsidiaries other than the Group, and no significant contract for delivery of service has been signed between the Group and the Controlling Shareholders or any of its subsidiaries other than the Group.

19. INDEMNITIES MADE TO THE DIRECTORS

According to Article 164 of the Articles of Association, the Directors shall be entitled to be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which may incur or sustain in the execution of their duties. The Company has purchased appropriate directors and senior management liabilities insurance for the Directors and senior management of the Group.

20. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

(1) Excluded Businesses

All excluded businesses disclosed in the Prospectus were sold to the independent third parties by the Controlling Shareholders. However, Hanking Group controlled by a Controlling Shareholder acquired Fushun Majuncheng Iron Co., Ltd. ("**Fushun Majuncheng**") in 2016. Fushun Majuncheng engages in the mining and processing of iron ore, which compete against the businesses of the Company. Nevertheless, the Directors are of the opinion that Fushun Majuncheng currently has limited resources and production capacity. Therefore, the Company currently does not intend to acquire Fushun Majuncheng.

To the best knowledge of the Directors and based on the information available to the Directors, financial information of the excluded businesses for the past three years (audited) is as follows:

	For the year ended 31 December (Unit: RMB'000)		
	2024	2023	2022
Total assets	**456,542**	457,127	459,364
Total liabilities	**374,492**	359,270	349,414
(Loss)	**(19,018)**	(14,579)	(23,599)

(2) Directors' and Controlling Shareholders' Positions in Competing Business

As at 31 December 2024, save as disclosed below, the Directors and their associates did not hold any interests in any business which, either directly or indirectly, competes or is likely to compete against the business of the Group:

Name of Director	Position in the Company	Position in Competing Business
Xia Zhuo	Non-executive Director	director of Hanking Group

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

So far as the Company is aware, as at 31 December 2024, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions taken or deemed to have under such provisions of the SFO), or was, pursuant to Section 352 of the SFO, required to be recorded in the register referred to therein, or was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"), were as follows:

(1) Interests in the Shares of the Company:

Name of Director and Chief Executive	Status/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding
Yang Jiye[1]	Interest in controlled corporation	1,314,061,666 (long position)	67.04%
Xia Zhuo[2]	Interest in controlled corporation	19,130,589 (long position)	0.98%
	Beneficial owner	140,000 (long position)	Less than 0.01%
Zheng Xuezhi	Beneficial owner	8,643,000 (long position)	0.44%
Zhang Jing	Beneficial owner	531,000 (long position)	0.03%

Notes:

1. Mr. Yang Jiye holds 100% interest in Bisney Success Limited and Tuochuan Capital Limited, respectively. As a result, Mr. Yang Jiye is deemed to be interested in 694,360,500 Shares held by Bisney Success Limited and 619,701,166 Shares held by Tuochuan Capital Limited.

2. Mr. Xia Zhuo holds 54.38% interest in Splendour Ventures Limited. As a result, Mr. Xia Zhuo is deemed to be interested in 19,130,589 Shares held by Splendour Ventures Limited. The accurate percentage of 140,000 Shares beneficially owned by Mr. Xia Zhuo is 0.00714286%.

(2) Interests in the shares of associated corporations of the Company:

Name of Director and Chief Executive	Name of Associated Corporation	Status/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding
Qiu Yumin[1]	Hanking Australia Investment Pty Ltd	Interest in controlled corporation	6,300,000 (long position)	3.00%

Note:

1. Dr. Qiu Yumin and his spouse jointly hold 100% equity interests in Golden Resource Investment Pty Ltd. Hence, Dr. Qiu Yumin is deemed to be interested in 6,300,000 shares in Hanking Australia held by Golden Resource Investment Pty Ltd.

Save as disclosed above, as at 31 December 2024, none of the Directors and chief executives of the Company had any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position taken or deemed to have under such provisions of the SFO), or which was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2024 was the Company, its holding company, or any of its subsidiaries or associated corporations, a party to any arrangement which enables the Directors and chief executives of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of acquisition of Shares, underlying shares or debentures of the Company or any of its associated corporations.

22. SUBSTANTIAL SHAREHOLDERS' INTERESTS OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2024, as far as the Directors, having made all reasonable enquiries, are aware, the following persons had interests or short positions in the Shares or underlying shares of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Status/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding
Yang Jiye[1]	Interest in controlled corporation	1,314,061,666 (long position)	67.04%
Bisney Success Limited	Beneficial owner	694,360,500 (long position)	35.43%
Tuochuan Capital Limited	Beneficial owner	619,701,166 (long position)	31.62%
Yang Min[2]	Interest in controlled corporation	6,025,000 (long position)	0.31%
China Hanking (BVI) Limited	Beneficial owner	6,025,000 (long position)	0.31%
Xinfu Branch, Bank of Fushun Co., Ltd.	Person having a security interest in Shares	500,000,000 (long position)	25.51%

Notes:

1. Mr. Yang Jiye holds 100% interest in Bisney Success Limited and Tuochuan Capital Limited, respectively. As a result, Mr. Yang Jiye is deemed to be interested in 694,360,500 Shares held by Bisney Success Limited and 619,701,166 Shares held by Tuochuan Capital Limited.

2. Ms. Yang Min holds 100% interest in China Hanking (BVI) Limited. Thus Ms. Yang Min is deemed to be interested in 6,025,000 Shares held by China Hanking (BVI) Limited.

Save as disclosed above, as at 31 December 2024, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares, underlying shares or debentures of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

23. MANAGEMENT CONTRACTS

For the year ended 31 December 2024, there is no contract entered into by the Company or subsisting relating to the management and administration of the entire or any substantial part of business of the Company.

24. CONNECTED TRANSACTIONS

Related party transactions of the Group for the year ended 31 December 2024 are set out in note 48 to the consolidated financial statements. Such related party transactions constituted connected transactions of the Group as defined in the Listing Rules, but are fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Saved as those related party transactions, the Group did not carry out other connected transactions for the year ended 31 December 2024. The Group has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

25. COMPLIANCE WITH NON-COMPETITION AGREEMENT

The Company signed a non-competition agreement (the "**Non-Competition Agreement**") with the Controlling Shareholders on 16 June 2011. In accordance with the Non-Competition Agreement, the independent non-executive Directors are responsible for reviewing and considering whether to exercise such option and pre-emptive right, as well as entitled to conduct annual review on the compliance with the undertakings under the Non-Competition Agreement on behalf of the Company. During the year of 2024, each Controlling Shareholder has made annual confirmation of compliance with the Non-Competition Agreement, and the independent non-executive Directors have also reviewed the implementation of the Non-Competition Agreement, and confirmed that the Controlling Shareholders have fully abided by the agreement without any breach of the agreement.

26. RETIREMENT AND EMPLOYEES' BENEFIT PLAN

Detailed information on the retirement and employees' benefit plan of the Company is provided in note 10 to the consolidated financial statements.

27. COMPLIANCE WITH CORPORATE GOVERNANCE CODE AND LAWS AND REGULATIONS

Save as disclosed herein, during the year ended 31 December 2024, the Company has complied with the principles and all the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules and, meanwhile, complied with most of the best practices as recommended therein. Please refer to the Corporate Governance Report of this annual report for details.

With effect from 20 March 2018, Mr. Yang Jiye, the Chairman of the Board, has assumed the role of the Chief Executive Officer and the President of the Company. Although this is not in compliance with the requirements under Code Provision C.2.1 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the Company believes that vesting the roles of both the Chairman of the Board and the Chief Executive Officer in Mr. Yang Jiye provides strong and consistent leadership and enables more effective planning and better execution of long-term business strategies, which is beneficial to the overall development of the Company. As required under the decision-making framework of the Company, all significant decisions shall be made by all Directors to ensure balance of power and authority. The Company will decide whether to appoint another person as the Chief Executive Officer based on the business operation if and when appropriate.

The Group recognises the importance of compliance with regulatory requirements. During the year, the Company has complied, to the best of our knowledge, with the Companies Law of the Cayman Islands, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Listing Rules, the SFO, and other relevant rules and regulations. Besides, the subsidiaries within the Group continued to comply with their applicable local laws. During the year, the Company was not aware of any particular law and regulation that would have a significant impact on the Group's operation.

28. ENVIRONMENTAL PROTECTION AND SOCIAL RESPONSIBILITY

The Company strives to fulfil its social responsibilities in all major areas, including environmental protection. It promotes energy-efficient business model which emphasizes conservation and efficient use of resources, and enhances efforts in recycling and reuse to avoid wastage. The Group regards emission reduction and meeting the emission standards as its major tasks in undertaking environmental protection responsibilities. Through technical measures and recycling initiatives, it lowers the generation and emission of wastes. In order to minimize emission of greenhouse gas, the Group has implemented the policy designed to reduce business travel and encourages employees to hold telephone conferences in place of overseas business trips (if possible) and travel with public transport. For details, please refer to the Environmental, Social and Governance Report of the Company.

29. PUBLIC FLOAT

Based on the information publicly available to the Company, and to the knowledge of the Directors, the public held not less than 25% of Shares as at the Latest Practicable Date prior to the issue of this annual report, which was in compliance with the requirement of the Listing Rules.

30. SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2024, the Group was not involved in any significant legal proceedings or arbitration. To the knowledge of the Directors, there are no significant legal proceedings or claims pending or threatened.

31. AUDIT COMMITTEE

The Audit Committee has reviewed the annual results announcement of the Company for 2024 and the consolidated financial statements for the year ended 31 December 2024.

32. AUDITOR

The consolidated financial statements stated in this annual report have been audited by the Company's auditor Deloitte Touche Tohmatsu. A resolution for re-appointing Deloitte Touche Tohmatsu as the auditor for the ensuing year is to be proposed at the forthcoming annual general meeting. The auditor of the Company has not changed in the past three years.

33. FINANCIAL HIGHLIGHTS

The operating performance, assets and liability highlights of the Group for the last five fiscal years are stated on page 5 of this annual report.

34. FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANY BY THE COMPANY

For the year ended 31 December 2024, the Company has not granted financial assistance and guarantee to its affiliated company.

35. LOAN TO A GIVEN ENTITY

For the year ended 31 December 2024, the Group has not granted a loan to a given entity.

36. CONTINUING DISCLOSURE UNDER THE LISTING RULES

On 8 June 2020, Tuochuan Capital Limited ("**Tuochuan Capital**") pledged 300,000,000 Shares (representing approximately 16.48% of the issued share capital of the Company as at 8 June 2020) in favour of Bank of Fushun Co., Ltd., Xinfu Branch. Of the aforementioned pledged Shares, 100,000,000 Shares (representing approximately 5.49% of the issued share capital of the Company as at 8 June 2020) were pledged as security for a loan in the amount of RMB125,000,000 for Hanking D.R.I., a subsidiary of the Company as general working capital under the loan agreement dated 8 June 2020. Details of which are set out in the announcement of the Company dated 10 June 2020.

Saved as disclosed above, the Company had no other disclosure obligations under Rule 13.20, Rule 13.21 and Rule 13.22 of the Listing Rules as of 31 December 2024.

37. TAXATION RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares.

38. DEBENTURES

For the year ended 31 December 2024, the Company did not issue any debentures.

39. EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2024, no equity-linked agreements were entered into by the Company or subsisted at the end of that year.

40. CHARITABLE DONATIONS

The Group made donation for charitable purposes in an aggregate amount of RMB4,686,000 during the year ended 31 December 2024.

41. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

Save as disclosed in the report, there were no other significant events taken place subsequent to the end of the year ended 31 December 2024.

By order of the Board
Mr. Yang Jiye
Chairman of the Board and Executive Director

20 March 2025

CORPORATE GOVERNANCE REPORT

The Company believes that good corporate governance provides a framework that is essential for ensuring effective management, business growth and shareholder value. The Company has adopted the Corporate Governance Policies which is prepared in accordance with the principles, code provisions and certain recommended best practices of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and is in the best interest of the Company and its Shareholders. During the year ended 31 December 2024, save as disclosed in paragraph 27 "Compliance with Corporate Governance Code and Laws and Regulations" of the section headed "Report of the Directors" above, the Company has complied with the Corporate Governance Policies as well as the principles and all the applicable code provisions of the Corporate Governance Code. Meanwhile, it has also complied with most of the recommended best practices of the Corporate Governance Code. Details of the code provisions adopted and complied with by the Company during the period are set out below.

BOARD COMPOSITION

The Board is collectively responsible to all Shareholders for leading and overseeing the Group's business, and is in charge of operation and decision making. The Board is mainly responsible for formulating the business strategies, objectives, policies and plans of the Company, and monitoring the execution of the Company's strategies. It is also responsible for overseeing and controlling the operational and financial performance of the Company and establishing appropriate risk management policies and procedures in order to ensure that the strategic objectives of the Group are materialized. In addition, the Board is also responsible for improving the corporate governance structure and enhancing communications with the Shareholders. The management team headed by the Chief Executive Officer is responsible to the Board and executes the strategies and plans formulated by the Board, and makes decisions for day-to-day operation. The management shall report monthly to the Board on the operational and financial performance of the Company.

For the period from 1 January 2024 to the date of this annual report, the re-designation, resignation and appointment of Directors are set out as follows:

At the annual general meeting of the Company held on 23 May 2024, in accordance with Article 84(1) of the Articles of Association, Mr. Yang Jiye (executive Director), Mr. Kenneth Lee (non-executive Director) and Mr. Ma Qingshan (independent non-executive Director) retired by rotation at the annual general meeting. Among which, (i) Mr. Yang Jiye, being eligible, offered himself for re-election and was re-elected as an executive Director; (ii) Mr. Kenneth Lee retired as a non-executive Director as he would like to devote more time to pursuing his own personal commitments, and also ceased to be a member of each of the Audit Committee and the Remuneration Committee; (iii) Mr. Ma Qingshan retired as an independent non-executive Director as he would like to devote more time to pursuing his own personal commitments, and also ceased to be a member of each of the Nomination committee and the Remuneration Committee; (iv) Ms. Zhang Jing was duly appointed as an executive Director; (v) Mr. Zhao Yanchao was duly appointed as a non-executive Director and, meanwhile, as a member of the Remuneration Committee; and (vi) Mr. Zhao Bingwen was duly appointed as an independent non-executive Director and also appointed as a member of each of the Audit Committee and the Remuneration Committee.

Ms. Zhang Jing , Mr. Zhao Yanchao and Mr. Zhao Bingwen (appointed on 23 May 2024) had confirmed that, on 6 March 2024, they obtained legal advice under Rule 3.09D of the Listing Rules and understood their obligations as a Director.

CORPORATE GOVERNANCE REPORT

Given the above retirement and appointment of Directors, details of the Directors of the Company for the year 2024 will be presented respectively as follows:

During the period from 1 January 2024 to 22 May 2024, the Board consisted of the following eight members:

Non-executive Directors	Executive Directors	Independent non-executive Directors
Mr. Kenneth Lee	Mr. Yang Jiye *(Chairman, Chief Executive Officer and President)*	Mr. Wang Ping
Mr. Xia Zhuo	Mr. Zheng Xuezhi *(Chief Operating Officer and Executive Vice President)*	Dr. Wang Anjian
	Dr. Qiu Yumin	Mr. Ma Qingshan

During the period from 23 May 2024 to 31 May 2024, the Board consisted of the following nine members:

Non-executive Directors	Executive Directors	Independent non-executive Directors
Mr. Xia Zhuo	Mr. Yang Jiye *(Chairman, Chief Executive Officer and President)*	Mr. Wang Ping
Mr. Zhao Yanchao	Mr. Zheng Xuezhi *(Chief Operating Officer and Executive Vice President)*	Dr. Wang Anjian
	Dr. Qiu Yumin	Mr. Zhao Bingwen
	Ms. Zhang Jing	

During the reporting period, the Company has appointed a sufficient number of independent non-executive Directors who are equipped with relevant qualification in accordance with the requirements of the Listing Rules.

As of 31 December 2024, the Company had three independent non-executive Directors in total, representing one-third of the total number of Directors. Mr. Wang Ping has over 28 years' experience in corporate finance, audit, accounting and taxation; Dr. Wang Anjian has extensive experience in research of resource strategy; and Mr. Zhao Bingwen has extensive experience in the research and measurement of carbon neutrality.

Details of the Directors' biographies are disclosed in the section headed "Biographies of Directors and Senior Management" of this annual report. None of the members of the Board has any relationship with other members.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

For the year ended 31 December 2024, the Directors have participated in the following training on a director of a listed company, so as to continuously develop their expertise and professional skills.

	Training Scope		
Directors	**Corporate Governance**	**Listing Rules**	**Business/ Management**
Non-executive Directors			
Mr. Xia Zhuo	✓	✓	✓
Mr. Zhao Yanchao *(appointed as a non-executive Director on 23 May 2024)*	✓	✓	✓
Executive Directors			
Mr. Yang Jiye	✓	✓	✓
Mr. Zheng Xuezhi	✓	✓	✓
Dr. Qiu Yumin	✓	✓	✓
Ms. Zhang Jing *(appointed as an executive Director on 23 May 2024)*	✓	✓	✓
Independent non-executive Directors			
Mr. Wang Ping	✓	✓	✓
Dr. Wang Anjian	✓	✓	✓
Mr. Zhao Bingwen *(appointed as an independent non-executive Director on 23 May 2024)*	✓	✓	✓

In order to gain the latest information of their specialized fields, each of the Directors proactively attended seminars related to various industries.

COMPANY SECRETARY

For the year ended 31 December 2024, the joint company secretaries of the Company were Ms. Zhang Jing and Ms. Wong Hoi Ting and both of them have participated in not less than 15 hours of relevant professional training. Ms. Wong Hoi Ting's primary contact persons at the Company were Ms. Zhang Jing and Mr. Pei Qiang, the director-general of the office of the Board.

ANNUAL REMUNERATION OF THE SENIOR MANAGEMENT

Details of the remuneration paid to the senior management of the Group by band (excluding Directors), whose biographies are set out on pages 69 to 70 of this annual report, for the year ended 31 December 2024 are set out below:

	No. of individuals
HKD500,001 to HKD1,000,000	–
HKD1,000,001 to HKD1,500,000	1
HKD1,500,001 to HKD2,000,000	1
HKD2,000,001 to HKD2,500,000	–
HKD2,500,001 to HKD3,000,000	–

LIABILITY INSURANCE

The Company has purchased liability insurance for the Directors and its senior management for a term of one year.

TENURE OF THE DIRECTORS AND THE INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The service contracts of the Directors (including service contracts of all non-executive Directors) are for a term of three years, which are subject to termination in accordance with their respective terms. According to the provisions of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years; while any Director appointed by the Directors as an addition to the existing Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election.

The appointment of independent non-executive Directors strictly adheres to the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules. The Company has received the written confirmation of their independence for 2024 from each of the independent non-executive Directors and considers them to be independent of the management and not having any relationship that could materially interfere with the exercise of their independent judgment.

During the reporting period, the independent non-executive Directors actively took part in the meetings held by the Board and all specialized committees, during which independent professional comments and suggestions were given in respect of the business development, significant decisions, risk management and internal control of the Company. During the reporting period, the independent non-executive Directors and the Chairman of the Board held a meeting without the presence of other Directors, so as to evaluate the results of the Company for 2024 and the overall operating management capacity of the senior management of the Company in 2024, and to discuss the future development of the Company.

During the reporting period, no objection was raised by the independent non-executive Directors to the resolutions made by the Board or the specialized committees.

The Board reviews the implementation and effectiveness of the mechanisms for ensuring independent views and input are available to the Board on an annual basis, whether in terms of proportion, recruitment and independence of independent non-executive Directors, and their contribution and access to external independent professional advice.

SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules, and also formulated the Written Guideline on Dealings in the Securities of the Company by Directors and the Relevant Employees (the "**Company Guideline**"), which adopted the standards equivalent to the provisions of Appendix C3 to the Listing Rules as the model code regarding dealings in the Company's securities by the Directors and the relevant employees. After making specific enquiries to all Directors and the relevant employees of the Company, all of them have confirmed that they have complied with the Model Code and the Company Guideline throughout the year ended 31 December 2024.

CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Pursuant to the Guidelines regarding the Division of Functions between the Board and Senior Management formulated by the Company, the Chairman of the Board is responsible for the management of the Board to ensure its effective operation. The Chief Executive Officer is responsible for daily operational activities of the Group and responsible to the Board for the overall operations of the Group. The management shall provide the Directors and the members of the specialized committees under the Board with information and materials related to the operation on a monthly basis, so as to update them with the latest developments of the Company and facilitate the discharge of duties better.

With effect from 20 March 2018, Mr. Yang Jiye, the Chairman of the Board, has assumed the role of Chief Executive Officer and President of the Company. Although this is not in compliance with the requirements under Rule C.2.1 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the Company is of the view that the corporate governance structure will prevent the lack of checks and balances with strong independent elements on the Board, delegation of authorities to management to undertake operation and supervision by the Board committee. Besides, the Company believes that the vesting of roles of both Chairman of the Board and Chief Executive Officer in Mr. Yang Jiye provides strong and consistent leadership and enables more effective planning and better execution of long-term business strategies, which is beneficial to the overall development of the Company. The Company will decide whether to appoint another person as the Chief Executive Officer based on the business operation if and when appropriate.

GENERAL MEETING, BOARD MEETING AND SPECIALIZED COMMITTEE MEETING

The Company has sufficiently promulgated the terms of reference of the Board and the four specialized committees under the Board (namely the Audit Committee, Nomination Committee, Remuneration Committee and HSEC Committee), and published on the websites of the Hong Kong Stock Exchange and the Company the terms of reference of each of the specialized committees, which enable these committees to perform their duties and also provide that these four specialized committees should report their decisions and recommendations to the Board.

The Company convened two general meetings and six Board meetings in 2024. During the reporting period, details of Directors' attendance of the Board meetings, meetings of the specialized committees under the Board and general meetings are as follows:

Directors	Board	Specialized Committees under the Board Audit Committee	Remuneration Committee	Nomination Committee	HSEC Committee	General Meeting
Non-executive Directors						
Mr. Xia Zhuo	6/6	N/A	N/A	N/A	N/A	2/2
Mr. Zhao Yanchao *(appointed as a non-executive Director on 23 May 2024)*	5/5	N/A	N/A	N/A	N/A	1/1
Mr. Kenneth Lee *(retired as a non-executive Director on 23 May 2024)*	1/1	2/2	1/1	N/A	N/A	0/1
Executive Directors						
Mr. Yang Jiye	6/6	N/A	N/A	1/1	1/1	1/2
Mr. Zheng Xuezhi	6/6	N/A	N/A	N/A	N/A	2/2
Dr. Qiu Yumin	6/6	N/A	N/A	N/A	1/1	2/2
Ms. Zhang Jing *(appointed as an executive Director on 23 May 2024)*	5/5	N/A	N/A	N/A	N/A	1/1
Independent non-executive Directors						
Mr. Wang Ping	5/6	3/3	1/1	N/A	N/A	2/2
Dr. Wang Anjian	6/6	3/3	N/A	1/1	1/1	2/2
Mr. Zhao Bingwen *(appointed as an independent non-executive Director on 23 May 2024)*	5/5	1/1	N/A	N/A	N/A	1/1
Mr. Ma Qingshan *(retired as an independent non-executive Director on 23 May 2024)*	1/1	N/A	1/1	1/1	N/A	0/1

The meetings were held in way of Board meeting instead of written resolution to approve any matter in case of significant interest conflict between substantial Shareholders or Directors in the matters to be considered by the Board. All independent non-executive Directors who have no significant interest in the transactions have attended the Board meetings. Minutes of Board meetings and specialized committee meetings were prepared and maintained by the company secretary.

(A) Audit Committee

During the period from 1 January 2024 to 22 May 2024, the Audit Committee comprised the following members:

Non-executive Director	Independent non-executive Directors
Mr. Kenneth Lee	Mr. Wang Ping *(Chairman)* Dr. Wang Anjian

During the period from 23 May 2024 to 31 December 2024, the Audit Committee comprised the following members:

Independent non-executive Directors
Mr. Wang Ping *(Chairman)* Dr. Wang Anjian Mr. Zhao Bingwen

The Audit Committee shall act as a focal point for communication among other Directors, the external auditors and the internal auditors in respect of financial and other reporting, internal controls, external and internal audits and such other matters as the Board determines from time to time. The Audit Committee shall assist the Board in fulfilling its duties by providing independent review and supervision of financial reporting, satisfying themselves as to the effectiveness of the internal controls of the Group and as to the adequacy of the external and internal audits.

The terms of reference of the Audit Committee shall at least include: to supervise the financial reporting system, risk management and internal control system of the Company; to review the financial control of the Company as well as, to review the risk management and internal control system and the effectiveness of the internal audit function of the Company; to discuss the risk management and internal control system with the management and to ensure that the management has performed its duties in establishing an effective system; to consider major investigation findings on risk management and internal control matters and the response of the management on these investigation findings on its own initiative or as delegated by the Board.

During the year of 2024, the Audit Committee held a total of three meetings, at which the Audit Committee reviewed the annual and half-year financial results and financial reports of the Group for the year 2023 and the first half of 2024 respectively, the 2023 internal control report and the 2024 audit plan of the Company's internal audit department (including the review of the risk management and internal control system and internal audit function of the Company), the implementation of non-competition agreement by the Controlling Shareholders and the annual statement made by them, terms of the connected transactions and other issues, and also discussed the appointment of auditor and the determination of their remuneration. All members of the Audit Committee and the external auditor have attended the above meetings.

(B) Remuneration Committee

During the period from 1 January 2024 to 22 May 2024, the Remuneration Committee comprised the following members:

Non-executive Director	Independent non-executive Directors
Mr. Kenneth Lee	Mr. Wang Ping *(Chairman)*
	Mr. Ma Qingshan

During the period from 23 May 2024 to 31 December 2024, the Remuneration Committee comprised the following members:

Non-executive Director	Independent non-executive Directors
Mr. Zhao Yanchao	Mr. Wang Ping *(Chairman)*
	Mr. Zhao Bingwen

The Remuneration Committee shall formulate remuneration policies for submission to the Board for approval (factors to be considered in the remuneration policies shall include remuneration paid by comparable companies, time commitment and responsibilities and employment conditions of other positions within the Group) and implement the remuneration policies determined by the Board.

During the year of 2024, the Remuneration Committee held one meeting, at which the committee mainly reviewed the remuneration of the Directors and senior management of the Company for the year of 2023 as well as the remuneration policies and structure for the year of 2024.

(C) Nomination Committee

During the period from 1 January 2024 to 22 May 2024, the Nomination Committee comprised the following members:

Executive Director	Independent non-executive Directors
Mr. Yang Jiye *(Chairman)*	Dr. Wang Anjian Mr. Ma Qingshan

During the period from 23 May 2024 to 31 December 2024, the Nomination Committee comprised the following members:

Executive Director	Independent non-executive Directors
Mr. Yang Jiye *(Chairman)*	Mr. Wang Ping Dr. Wang Anjian

The Nomination Committee shall formulate the nomination policy for the consideration of the Board and implement the nomination policy approved by the Board.

Nomination procedures for Directors

The Nomination Committee shall recommend to the Board on the appointment of Directors (including independent non-executive Directors) in accordance with the following selection criteria and nomination procedures:

1. the Nomination Committee shall make proactive communications with relevant departments of the Company, study the Company's demand for new Directors, and make reports in writing in respect thereof;

2. the Nomination Committee may seek candidates for Directors in a broad scope in the Company and the Group, and from the talent market;

3. collect and assess the following information and aspects about the candidates, and form writing materials, including but not limited to:

   3.1 diversity in all aspects, including gender, age, cultural and educational background, professional experience, skills, knowledge and work experience;

   3.2 qualifications, including the achievements and experience in relevant industries related to the business of the Group;

   3.3 willingness to devote sufficient time to perform the duties as member of the Board and other responsibilities as a Director;

3.4 integrity and reputation;

3.5 independence of candidates for independent non-executive Directors, which is assessed with reference to the factors as set out in Rule 3.13 of the Listing Rules and any other factors deemed as appropriate by the Nomination Committee or the Board;

3.6 potential contributions to the Board; and

3.7 other relevant aspects that apply to the business of the Group.

4. seek the nominee's consent to nomination, otherwise, the nominee cannot be a candidate for a Director;

5. convene a Nomination Committee meeting to examine the qualifications of the candidate against the criteria for the Directors;

6. make recommendations to the Board regarding the candidates for Directors and submit the relevant information to the Board one to two weeks prior to the election of new Directors; and

7. take other follow-up actions according to the decision and feedback from the Board.

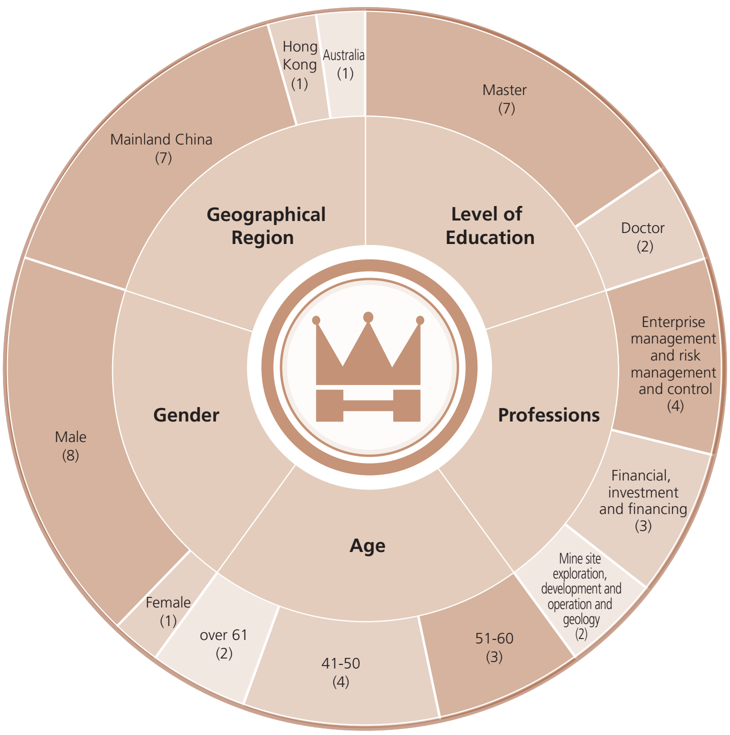
Diversity Policies

The Company will make efforts to keep an appropriate balance in the diversity of skills, experience and opinions of the Board members, so as to support the execution of business strategies and ensure the effective operation of the Board.

With a view that "diversity" is a broad concept, the Company may consider the board diversity in designing the Board's composition from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy as well as the business model of the Company and specific needs from time to time, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives of Diversity Policy

Selection of candidates for directorship is based on a range of diversity perspectives, and the ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect. The Board will make best efforts to take opportunities to increase the proportion of female members when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices to promote the gender diversity. As of 31 December 2024, the composition of the Board comprising nine Directors is as follows:



The Board has achieved the measurable objectives in the board diversity policy of the Company and complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules.

Employee Diversity

The Group focuses on equality and diversity of corporate culture and employment policy, and provides equal development opportunities for all employees. The Group conveys the concept of diversity and inclusion to our management and employees in a variety of ways: we treat employees of different nationalities, races, genders, religions and cultural backgrounds fairly and do not tolerate any discrimination; we value the talent development; and we strive to build a diverse talent system. There are female employees working through the middle and senior management, technical and operational department and production department of the Group. As of 31 December 2024, the Group had a total of 1,714 employees (including senior management), of which 83.49% are male and 16.51% are female. While the Group strives to achieve the goal of employee diversity to the maximum extent possible, with gender diversity taking into consideration in staff recruitment, there remains limitation due to the nature of the Group's business, which is to the most part physically demanding, and the industry is dominated by males. Nevertheless, the Company will continue to take steps to promote gender diversity at all levels of the Company, including but not limited to the Board and senior management levels, and to develop a pipeline of female senior management and potential successors to the Board.

During the year of 2024, the Nomination Committee held one meeting, at which the retiring Director Mr. Yang Jiye was nominated for re-election as an executive Director; Ms.Zhang Jing was nominated to be appointed as the executive Director; Mr. Zhao Yanchao was nominated to be appointed as the non-executive Director and member of the Remuneration Committee and Mr. Zhao Bingwen was nominated to be appointed as the independent non-executive Director and members of each of the Audit Committee and the Remuneration Committee. The independence of Mr. Wang Ping, Dr. Wang Anjian and Mr. Zhao Bingwen was assessed. The members, structure and composition of the Board, the implementation and effectiveness of board diversity policy of the Company were reviewed, and the sufficiency of time and efforts contributed by the Directors for the performance of their duties was also discussed. The committee was of the opinion that the extensive experiences and skills of the Directors in various fields and the rational structure of the Board may enable the Company to maintain high standard operation.

(D) Health, Safety, Environmental Protection and Community Committee

During the period from 1 January 2024 to 31 December 2024, the HSEC Committee comprised the following members:

Executive Directors	Independent non-executive Director
Dr. Qiu Yumin *(Chairman)* Mr. Yang Jiye	Dr. Wang Anjian

The HSEC Committee is responsible for leading the works regarding health, safety, environmental protection and community across the Group, and making recommendations on the significant decisions or material issues in relation to the health of staff, the safety and environmental protection of the Company and the relationship within the community to the Board.

In 2024, the HSEC Committee held one meeting, at which the committee considered and recommended the approval of the 2023 Environmental, Social and Governance Report of the Company to the Board.

CORPORATE GOVERNANCE

The Board is the highest authority of the Group on corporate governance, whose main responsibilities include:

(a) to develop and review the Group's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of Directors and senior management;

(c) to review and monitor the Group's policies and practices in compliance with the laws and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual applicable to employees and the Directors; and

(e) to review the Group's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

The Company compiled the existing corporate governance system and dispatched it to the Directors in 2024. The Board reviews the corporate governance initiatives of the Group on an annual basis.

REMUNERATION OF AUDITOR

The Shareholders approved the resolution for the re-appointment of Deloitte Touche Tohmatsu as the auditor of the Company for 2024 and authorizing the Board to determine its remuneration at the annual general meeting of the Company held on 23 May 2024. The Company re-appointed Deloitte Touche Tohmatsu as the auditor of the Company for the year of 2024 with a term of one year ending on the date of the 2025 annual general meeting of the Company. As of 31 December 2024, details of the audit and non-audit services provided by the auditor to the Group are as follows:

Audit Service	The total fee charged for providing the Group with the review of the interim financial statements as of 30 June 2024 and audit of the financial statements for the year ended 31 December 2024 was RMB3,700,000 (excluding taxation and sundries).
Non-audit Service	The total fee charged for providing the Group with the consulting services on taxation was approximately HKD37,800 (excluding taxation and sundries); the fee for issuing a circular regarding the expected disposal of Primary Gold was RMB600,000 (excluding taxation and sundries); the fee for providing Cygnet Gold with the consulting services on assessment was AUD10,000 (excluding taxation and sundries).

DIRECTORS AND AUDITOR'S RESPONSIBILITY FOR PREPARATION OF THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for preparing the financial statements for the year ended 31 December 2024, which gave a true and fair view of the state of affairs of the Group and of the results and cash flows for that year. The Company allocated sufficient resources to prepare the audited account. Senior management was required to present and explain the financial reporting and matters that materially affected or may have material impact on the financial performance and operations of the Company to the Audit Committee and the Board and respond to the queries and concerns raised by the Audit Committee and the Board to their satisfaction. The consolidated financial statements have been prepared in accordance with the IFRS. In addition, the financial statements included appropriate disclosure made in accordance with the Listing Rules and the Companies Ordinance. The responsibility of the independent auditor engaged by the Company for the preparation of the financial statements of the Group was set out in the independent auditor's report of this annual report.

The Directors have given careful consideration to the going concern of the Group, and are not aware of material uncertainties in relation to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Hence, the Group's consolidated financial statements have accordingly been prepared on a going concern basis. For further details, please refer to note 3.1 to the consolidated financial statements.

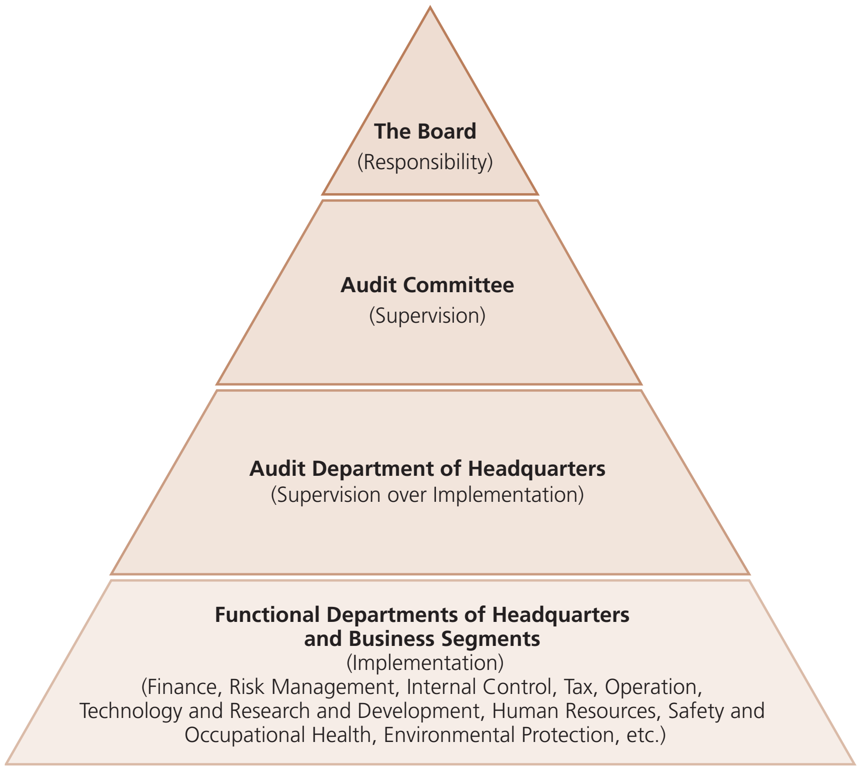
RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the responsibility for maintaining appropriate and effective risk management and internal control system to protect the Shareholders' investments and the Group's assets, including but not limited to setting management structure and granting the appropriate authorization, identifying proper accounting policy and providing reliable financial information. The measures above were designed to provide reasonable (but not absolute) assurance against material misstatement or loss, and to manage (but not fully eliminate) risks of failure in operational systems and in achieving the Group's objectives.

The Board, through the Audit Committee, continuously oversees the financial reporting system, risk management and internal control system of the Group; reviews the financial control of the Group and reviews the effectiveness of the Group's risk management and internal control systems on an annual basis; discusses the risk management and internal control system with the management and ensures that the management has performed its duties in establishing an effective system; considers major investigation findings on risk management and internal control matters and the response of the management on investigation findings.

The Group has established a specialized internal audit organ (the "**Audit Department**"), formulated relevant mechanism, and set up proper internal control procedures to ensure the effectiveness of internal control and risk management, and extended its application to all subsidiaries controlled by the Group. The Audit Department is directly under the leadership of the Audit Committee, thus the annual audit report and plan of the Audit Department are approved by the Audit Committee. The Audit Department independently carries out the internal audit and monitoring work of the Company, and, pursuant to the work program approved by the Audit Committee and based on the internal control, daily monitoring and project monitoring, comprehensively evaluates the work priorities from the dimensions of the possibility of risk occurrence and the degree of impact on the Company's objectives. In 2024, the Audit Department conducted effectiveness test and evaluation with a focus on key aspects including procurement and payment of iron ore business, actual implementation of the Group's management and control, monetary funds of the Group, and the entire process of procurement and warehousing of high-purity iron business and expressed assessment opinions on risk management and internal control.

Risk Management Structure of the Group



The Group has established an internal control system and formulated regulations on the segregation of duties of the Board and senior management, according to which the senior management is responsible to the Board and executes Board resolutions, and takes major responsibilities for the management and monitoring of the Group's operations. The management of the Group provides the members of the Board with monthly updates of the Group, which set out the balanced and comprehensible assessment of the Group's performance, financial position and prospects.

The Group has formulated the Information Disclosure Management System, the Administrative Measures on Connected Transactions and the Inside Information Disclosure System to identify and process the inside information. The Board assesses the effectiveness of the procedures for identifying and processing inside information in due course, so as to maintain the confidentiality of inside information prior to the disclosure with proper approval and disseminate such information in an effective and consistent manner.

The Group has formulated the Integrity Management System to promote and support anti-corruption laws and regulations, strengthen the construction of enterprise integrity, regulate the conduct of all staff, and create a clean and efficient working atmosphere. The Group has developed the Whistleblowing Policy to enable the Group's employees and other external stakeholders of the Group (such as customers and suppliers) to raise their concerns about any possible impropriety with respect to the Group to the Audit Committee confidentially and anonymously. The "Contact information of the Audit Committee of the Board" is available under the "Investor Relations" section on the Company's website for whistleblowing by the external stakeholders of the Group.

The Group has developed internal control procedures to identify, evaluate and manage significant risks and to resolve material internal control defects (if any). Such procedures are implemented by the Audit Department which mainly include: formulation of the assessment work plan, implementation of on-site testing, identification of control deficiencies, compilation of assessment results, preparation of assessment report, etc. During the assessment process, the Audit Department widely collects evidences regarding the effectiveness of internal control design and operation, fills in the internal control risk assessment paper in a truthful manner and analyses the internal control deficiencies through a combination of methods and approaches such as individual interview, questionnaire survey, panel discussion, sampling inspection, walk through testing, on-site inspection and comparative analysis. When internal control deficiencies are identified in the audit, monitoring and assessment of the Company's risk management system, the Audit Department takes rectification measures after communication with the management.

Risk Management Procedures of the Group

By doing so, the Board is of the opinion that the Group has maintained effective internal control over the financial reporting process in all material aspects with reference to the requirements under the enterprise internal control regulation system and the relevant provisions. According to the assessment of deficiencies in the internal control over the non-financial reporting process of the Group, as at the reference date of the internal control assessment report, no material deficiencies or major deficiencies in the internal control over the non-financial reporting process were identified.

In 2024, the Board has reviewed the effectiveness of the Group's risk management and internal control system, and considers the risk management and internal control system effective and adequate.

CONSTITUTIONAL DOCUMENTS

For the year 2024, there were no material changes to the Articles of Association.

SHAREHOLDERS' COMMUNICATION POLICY

In order to promote effective communication with the Shareholders, the Company has adopted a shareholders' communication policy which is published on the Company's website. According to the shareholders' communication policy, among other things:

(1) Information shall be disseminated by the Company to the Shareholders and the investment community mainly through the publication of interim and annual reports, annual general meetings and other general meetings convened, as well as the information disclosed or published on the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk) or the Company's website (www.hankingmining.com).

(2) General meetings are deemed to be the principal channel of communications between the Company and the Shareholders. The Shareholders are encouraged to participate in the Company's general meetings in person or, where they are unable to attend the meetings, appoint proxies to attend and vote at the meetings for and on their behalf.

(3) The Company shall facilitate communications with the Shareholders and the investment community by organizing roadshows, investor meetings, investor/analyst presentations, individual meetings and media interviews on a regular basis.

In 2024, the Company convened two general meetings, and organized two results briefings and a number of investor meetings and media interviews.

In light of the shareholders communication policy adopted and communication channels already in force, and the general meetings of the Company held during the year which enabled the Directors to exchange views with the Shareholders and answer their questions, the Board has reviewed and considered that the Company's shareholder communication policy has been appropriately implemented and remains effective during the year ended 31 December 2024.

(A) The rights of Shareholders

The Articles of Association provide the rights and obligations of all Shareholders.

Shareholders are encouraged to attend the annual general meetings/extraordinary general meetings to ensure the high level of accountability and to stay apprised of the Group's strategy and goals.

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, pursuant to the Articles of Association, any member or members holding not less than one-tenth of paid-up capital of the Company, which entitled them to vote at the meeting, as at the date of submitting the request is or are entitled to give written request to the Board or the Company Secretary of the Company to request the Board to convene an extraordinary general meeting at any time and to handle the matters or resolution set out in the above request. The above meeting shall be convened within two (2) months after submitting the relevant request to the Company's principal place of business in Hong Kong, at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and for the attention of the Company Secretary. If the Board has not convened the meeting within twenty-one (21) days after receiving the request, the requesting persons can convene the meeting by which all the reasonable expenses of petitioners so caused should be compensated by the Company.

According to the Listing Rules, any voting of the shareholders at a general meeting must be taken by poll (except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) and the results of the poll shall be deemed to be the resolution of the meeting.

(B) Procedures of putting forward enquiries to the Board by Shareholders

For putting forward any enquiries or proposals to the Board, Shareholders may send written enquiries to the Company. The contact information is as follows:

Address: 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Tel: +852 3188 8333
Fax: +852 3188 8222

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

Meanwhile, the Chairman of the Board as well as the chairmen of all of the specialized committees under the Board, or in their absence, other members of the respective committees, are available to answer questions at the annual general meeting of the Company. The independent auditor shall also be present at the meeting to assist the Directors to answer questions raised by the Shareholders.

(C) Shareholders' enquiries

Any enquiries relating to your shareholding, for example, transfers of shares, change of address, loss of share certificates or dividend cheques, shall be sent or made to Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong whose contact information is as follows:

Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Tel: +852 2862 8628
Fax: +852 2865 0990 and +852 2529 6087
Website: www.computershare.com.hk

(D) Investor relations and communication

The Company promotes the effective communication with Shareholders, investors and other interested persons through the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company's website (www.hankingmining.com). The Company's website sets out the following information:

- Articles of Association, the Board and its specialized committees and the biographies of Directors;
- announcements, circulars, regular reports, promotional materials and press releases of the Company;
- financial information and summarized financial information for the respective years of the Company; and
- information about the Company's shares.

The Company's website also provides investors' calendar and subscription of company information services, so as to promote the communication with investors.

In addition, the Company duly issues company consultation documents and other related financial information, including detailed information related to the Company's business performance and development as disclosed in annual reports, interim reports, press releases and announcements.

In 2024, rise and fall as well as trading amount in Hong Kong stock segment increased as compared to the corresponding period of 2023. Head companies still possessed large proportion, and there was a high market concentration. We situated in this divergent market, place significant importance on communication with investors. While diligently working towards achieving the Company's strategic goals, we are assessing the investment value of the Company, actively expanding communication channels and opportunities with the market. We are exploring an investor management cycle of "communication-feedback-resolution" from internal to external perspectives, aiming to provide market participants with a deeper understanding of the Company. This, in turn, is intended to enhance the Company's liquidity, valuation levels, and overall value.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

1. COMPOSITION OF DIRECTORS

As at the Latest Practicable Date, the Board consisted of four executive Directors, two non-executive Directors and three independent non-executive Directors. The following table sets forth certain information in respect of our Directors:

Name	Age	Position/Title in the Group	Date of Appointment/Re-election	Roles and Responsibilities
Mr. Yang Jiye	46	Executive Director, Chairman of the Board, Chief Executive Officer and President	appointed as the Chief Executive Officer and President on 20 March 2018 re-elected as an executive Director on 23 May 2024	responsible for the formulation and implementation of the overall operation and development strategy of the Group, supervision on the execution and implementation of the strategies by the management and daily operation and management of the Group
Mr. Zheng Xuezhi	54	Executive Director, Chief Operating Officer and Executive Vice President	re-elected as an executive Director on 24 May 2023	responsible for assisting the President in the implementation of the overall operation and development strategy of the Group, and fully responsible for the daily operation and management of the Group
Dr. Qiu Yumin	62	Executive Director, Vice President and chief executive officer and president of Hanking Australia	re-elected as an executive Director on 26 May 2022	responsible for the daily operation management and investment of the Group's business in Australia
Ms. Zhang Jing	44	Executive Director, Board Secretary, Joint Company Secretary and manager of investor relationship department	appointed as an executive Director on 23 May 2024	responsible for the listing compliance, information disclosure and investors relationship management of the Group
Mr. Xia Zhuo	59	Non-executive Director	re-elected as a non-executive Director on 26 May 2022	N/A
Mr. Zhao Yanchao	47	Non-executive Director	appointed as a non-executive Director on 23 May 2024	N/A
Mr. Wang Ping	54	Independent non-executive Director	re-elected as an independent non-executive Director on 26 May 2022	N/A
Dr. Wang Anjian	71	Independent non-executive Director	re-elected as an independent non-executive Director on 24 May 2023	N/A
Mr. Zhao Bingwen	43	Independent non-executive Director	appointed as an independent non-executive Director on 23 May 2024	N/A

Resignation/Retirement of Director

Name	Age	Position/Title	Date of Appointment/Re-election	Date of Resignation/Retirement	Roles and Responsibilities
Mr. Kenneth Lee	57	Non-executive Director	re-elected as a non-executive Director on 24 May 2023	retired as a non-executive Director on 23 May 2024	N/A
Mr. Ma Qingshan	46	Independent non-executive Director	re-elected as an independent non-executive Director on 27 May 2021	retired as an independent non-executive Director on 23 May 2024	N/A

2. BIOGRAPHY OF NON-EXECUTIVE DIRECTORS

Mr. Xia Zhuo, aged 59, is a non-executive Director. He has served on the Company's Board since 2011. He is currently serving as the director of Aoniu Mining. In addition, he also serves as the director of Hanking Group and Hanking Electronics (Liaoning) Co., Ltd., and as the supervisor of Indonesia project companies (KS, KKU and KP) of Hanking Group. Mr. Xia has obtained more than 25 years of experience in the mining industry. Over the past three years, he did not hold any directorships in any other listed public companies.

Mr. Zhao Yanchao, aged 47, is a non-executive Director.He has served on the Company's Board since 2024. He has over 18 years of experience in the fields of corporate finance, equity investment and fund management. He is currently a partner of SAIF Partners (賽富投資基金), where he is responsible for the fund management operation. He had previously served in China International Capital Corporation Limited (中國國際金融股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601995) and the Hong Kong Stock Exchange(stock code: 3908)) and China Central Television (中央電視台), where he was involved in international initial public offering projects. He served at SAIF Partners back in 2005 and was responsible for several investment projects, then joining China Development Bank Capital Co., Ltd. (國開金融有限責任公司) (a subsidiary of China Development Bank (國家開發銀行)) in 2011, as the head of the equity investment department, where he presided over the completion of a number of large-scale investment projects. He rejoined SAIF Partners since 2019. Save as disclosed above, over the past three years, he did not hold any directorships in any other listed public companies.

3. BIOGRAPHY OF EXECUTIVE DIRECTORS

Mr. Yang Jiye, aged 46, is an executive Director, Chairman of the Board and Chief Executive Officer and President. He has served on the Company's Board since 2011. Meanwhile, he is also the chairman of the board of directors of Aoniu Mining, and the director of Hanking Australia and Hanking D.R.I.. Mr. Yang is currently serving as the chairman of the board of directors of Liaoning Huaren Shengze Enterprise Management Group Co., Ltd. (遼寧華仁盛澤企業管理集團有限公司). With his previous and current positions in the Group, he has more than 20 years of experience in corporate governance and management. Over the past three years, he did not hold any directorships in any other listed public companies. Mr. Yang is the son of Ms. Yang Min, a Controlling Shareholder.

Mr. Zheng Xuezhi, aged 54, is an executive Director, Chief Operating Officer and Executive Vice President. He has served on the Company's Board since 2011. Mr. Zheng is responsible for assisting the President in the implementation of the overall operation and development strategy of the Group, and is fully responsible for the daily operation and management of the Group. Mr. Zheng is currently acting as the director of Aoniu Mining and the chairman of Hanking Environmental Protection Technology. He is also a supervisor of Liaoning Huaren Shengze Enterprise Management Group Co., Ltd.. Being in his previous and current positions in the Group, Mr. Zheng has obtained more than 20 years of experience in financing, auditing, taxation and corporate operation management. Mr. Zheng graduated from Northeast University (東北大學) with a master degree in business administration for executives. Mr. Zheng is a certified public accountant and a certified public valuer in the PRC. Over the past three years, he did not hold any directorships in any other listed public companies.

Dr. Qiu Yumin, aged 62, is an executive Director and Vice President. He is also the director, chief executive officer and president of Hanking Australia and the director of other Australian subsidiaries of the Company. He has served on the Company's Board since 2012. Dr. Qiu Yumin is a member of the Australian Institute of Geoscientists, and has over 27 years of experience in exploration and business development. Currently, Dr. Qiu serves as the non-executive director of Corazon Mining Ltd (ASX: CZN), a company listed in Australia. Save as disclosed above, over the past three years, he did not hold any directorships in any other listed public companies.

Ms. Zhang Jing, aged 44, is an executive Director, the secretary of the Board and a joint company secretary of the Company. She has served on the Company's Board since 2024. She joined the Company in March 2011 and has previously served as the manager of the compliance department, director-general of the office of the Board and manager of the investor relationship department, as well as the supervisor of Aouniu Mining. She obtained the bachelor degree of law from China University of Political Science and Law in July 2003 and then obtained the master degree specialising in international business law and European Union law from the University of Sheffield in the UK in November 2004. She served as a practising lawyer in a law firm from February 2005 to February 2009, providing corporate and securities legal services, where she acted as a legal consultant for a number of listed companies. With the past and current positions she held in the Group, she has over 16 years of experience in corporate governance, listing compliance as well as investor relationship management. Over the past three years, she did not hold any directorships in any other listed public companies.

4. BIOGRAPHY OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wang Ping, aged 54, is an independent non-executive Director. He has served on the Company's Board since 2011. He is a non-practicing member of the Chinese Institute of Certified Public Accountants. Mr. Wang has over 28 years of experience in corporate finance, audit and accounting. Mr. Wang is currently acting as the independent non-executive director of Jia Yao Holdings Limited (formerly known as "Tourism International Holdings Limited") (HKSE: 1626), a company listed on the Hong Kong Stock Exchange, the independent non-executive director of Chongyi Zhangyuan Tungsten Co., Ltd. (SZSE: 002378), a company listed on the Shenzhen Stock Exchange, and the non-executive director of Sanergy Group Limited (HKSE: 2459), a company listed on the Hong Kong Stock Exchange. He also acted as the independent non-executive director of China Tianrui Group Cement Company Limited (HKSE: 1252) from December 2012 to September 2024, a company listed on the Hong Kong Stock Exchange and the independent non-executive director of Shenzhen Fuanna Bedding and Furnishing Co., Ltd. (SZSE: 002327) from October 2021 to December 2024, a company listed on the Shenzhen Stock Exchange. Save as disclosed above, over the past three years, he did not hold any directorships in any other listed public companies.

Dr. Wang Anjian, aged 71, is an independent non-executive Director and has extensive experience in research of resource strategy. He has served on the Company's Board since 2012. Dr. Wang Anjian is currently the professor and chief scientist of the Research Center for Strategy of Global Mineral Resources, Chinese Academy of Geological Sciences. Dr. Wang also acted as the independent non-executive director of Chongyi Zhangyuan Tungsten Co., Ltd. (SZSE: 002378) from May 2017 to May 2023, a company listed on the Shenzhen Stock Exchange. Save as disclosed above, over the past three years, he did not hold any directorships in any other listed public companies.

Mr. Zhao Bingwen, aged 43, is an independent non-executive Director. He has served on the Company's Board since 2024. He has graduated from Guanghua School of Management of Peking University with a Master's Degree in Business Administration in 2014. He is currently the chairman and chief researcher of Langkun (Beijing) New Environmental Protection Technology Co., Ltd. (朗昆 (北京) 新環保科技有限公司), and is primarily specialized in, among others, the research and measurement of carbon neutrality. Prior to that, from 2008 to 2012, He served as a project manager in Dinglian Holdings Co. Ltd (鼎聯控股有限公司).From 2012 to 2014, he served as an engineering director and assistant director at the Fifth Design Research Institute of the China Aviation Planning and Design Institute (Group) Co., Ltd. (中國航空規劃設計研究總院有限公司), a wholly-owned subsidiary of AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 2357).Over the past three years, he did not hold any directorships in any other listed public companies.

5. SENIOR MANAGEMENT

The following table sets forth certain information in respect of our senior management as at the Latest Practicable Date:

Name	Age	Position/Title	Biography
Yang Jiye	46	Chief Executive Officer and President	See "Biography of Executive Directors"
Zheng Xuezhi	54	Chief Operating Officer and Executive Vice President	See "Biography of Executive Directors"
Qiu Yumin	62	Vice President as well as chief executive officer and president of Hanking Australia	See "Biography of Executive Directors"
Zhang Jing	44	Board Secretary, Joint Company Secretary and manager of investor relationship department	See "Biography of Executive Directors"
Huang Jinfu	68	Vice President	See below
Gao Yue	46	Chief Financial Officer	See below

Mr. Huang Jinfu, aged 68, is the Vice President of the Company. He directs the operation and management of the Group's iron ore business and participates in major decisions. Mr. Huang is a mineral processing engineer. He joined the Group in 2008 and has more than 40 years of experience in the mining industry.

Ms. Gao Yue, aged 46, the Chief Financial Officer, joined the Company in July 2017 and has previously served as the vice president in the finance department and the manager in the budgeting department of the Company. Ms. Gao is currently a supervisor of Aoniu Mining. Ms. Gao has more than 15 years of experience in the audit and finance industry. She is a certified public accountant in China and has worked in the audit departments of Deloitte China and KPMG China respectively. She obtained a master degree in accounting from the University of International Business and Economics in June 2005.

Resignation of Senior Management

During the reporting period, none of our senior management has resigned from the Company.

6. JOINT COMPANY SECRETARIES

Ms. Zhang Jing, please refer to "Biography of Executive Directors".

Ms. Wong Hoi Ting, an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She has over 11 years of experience in company secretarial field, and possesses the qualifications of company secretary as required under Rule 3.28 and Rule 8.17 of the Listing Rules. Ms. Wong is currently a manager of the Listing Services Department of TMF Hong Kong Limited (a global corporate services provider).

CORPORATE INFORMATION

COMPANY'S STATUTORY CHINESE NAME

中國罕王控股有限公司

COMPANY'S STATUTORY ENGLISH NAME

China Hanking Holdings Limited

STOCK CODE

03788

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEADQUARTERS IN THE PRC

22nd Floor, Hanking Tower
No. 227, Qingnian Street
Shenhe District
Shenyang 110016
Liaoning Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

AUTHORIZED REPRESENTATIVES

Mr. Zheng Xuezhi
Ms. Wong Hoi Ting

JOINT COMPANY SECRETARIES

Ms. Zhang Jing
Ms. Wong Hoi Ting

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F, One Pacific Place
88 Queensway
Hong Kong

HONG KONG LEGAL ADVISOR

Jingtian & Gongcheng LLP
Suites 3203-3207, 32/F
Edinburgh Tower, The Landmark
15 Queen's Road Central
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

CORPORATE INFORMATION

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

INVESTOR INQUIRIES

Investor Hotline: +86 021 5085 0619
Website: www.hankingmining.com
E-mail: ir@hanking.com

DIRECTORS

Executive Directors

Mr. Yang Jiye
(Chairman, Chief Executive Officer and President)
Mr. Zheng Xuezhi
(Chief Operating Officer and Executive Vice President)
Dr. Qiu Yumin
Ms. Zhang Jing
(Board Secretary and Joint Company Secretary)

Non-executive Directors

Mr. Xia Zhuo
Mr. Zhao Yanchao

Independent Non-executive Directors

Mr. Wang Ping
Dr. Wang Anjian
Mr. Zhao Bingwen

AUDIT COMMITTEE

Mr. Wang Ping *(Chairman)*
Dr. Wang Anjian
Mr. Zhao Bingwen

REMUNERATION COMMITTEE

Mr. Wang Ping *(Chairman)*
Mr. Zhao Yanchao
Mr. Zhao Bingwen

NOMINATION COMMITTEE

Mr. Yang Jiye *(Chairman)*
Mr. Wang Ping
Dr. Wang Anjian

HEALTH, SAFETY, ENVIRONMENTAL PROTECTION AND COMMUNITY COMMITTEE

Dr. Qiu Yumin *(Chairman)*
Mr. Yang Jiye
Dr. Wang Anjian

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

TO THE SHAREHOLDERS OF CHINA HANKING HOLDINGS LIMITED (中國罕王控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Hanking Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 79 to 199, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**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**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CHINA HANKING HOLDINGS LIMITED (中國罕王控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

Key audit matter	How our audit addressed the key audit matter

Impairment of long-lived assets of Aoniu Mine and Shangma Mine (including property, plant and equipment, mining rights, exploration and evaluation assets; and right-of-use assets)

Refer to notes 18, 20, 21, and 23

As set out in Note 23 to the consolidated financial statements, at the end of the reporting period, the carrying amount of long-lived assets of Aoniu Mine and Shangma Mine was RMB39,978,000 and RMB257,428,000, respectively. Details of the related accounting policies and impairment assessment of long-lived assets are set out in Notes 3 and 23 to the consolidated financial statements, respectively.

At the end of reporting period, the management of the Group evaluated whether there are any indicators of impairment for the long-lived assets of Aoniu Mine and Shangma Mine. Given that the production for both Aoniu Mine and Shangma Mine have not yet resumed and that the development plans are still ongoing, which is beyond the initial plan. Following this evaluation, the management determined that impairment indicators exist for both Aoniu Mine and Shangma Mine.

The recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value-in-use, it requires significant management judgments and forward looking estimates with respect to factors such as budgeted revenue, gross margin, discount rate and long-term growth rate adopted in the underlying cash flows of each asset or cash-generating unit ("**CGU**") where such asset belongs.

We identified impairment of property, plant and equipment, mining rights, exploration and evaluation assets and right-of-use assets, being the major assets engaged in Aoniu Mine and Shangma Mine, as a key audit matter because the carrying amounts of these assets were significant and the impairment assessment involved significant management judgment and estimation of uncertainty.

Our procedures in relation to the management's impairment assessment included:

- Understanding management process and the key controls in impairment assessment of long-lived assets and the preparation of cash flow projections, including the key assumptions and inputs;
- Evaluating the appropriateness of model used by the management in the value-in-use calculation and whether it was prepared in compliance with IAS 36 *Impairment of Assets*;
- Evaluating the reasonableness of the key assumptions used in the value-in-use calculations, challenging the estimates and assumptions used by the management in preparing the cash flow forecast and evaluating the accuracy of historical cash flows forecast by comparing them to actual result;
- Evaluating the reasonableness of the sensitivity analysis provided by the management to assess the extent of impact on the value-in-use calculations;
- Assessing the appropriateness of the disclosures regarding the impairment assessment on the long-lived assets in accordance with IAS 36 *Impairment of Assets*.

Key audit matter (continued)	How our audit addressed the key audit matter (continued)

Impairment assessment on goodwill

Refer to notes 19 and 24

As set out in Note 19 to the consolidated financial statements as at 31 December 2024, the carrying amount of goodwill from the acquisitions of Emerald Planet Holdings Limited and its subsidiaries ("**Emeral Planet Group**") was RMB209,132,000. Details of the related accounting policies and impairment assessment are set out in Notes 3 and 24 to the consolidated financial statements, respectively.

The management assessed the impairment of goodwill by estimating the CGU's recoverable amount using a value-in-use calculation. This required significant management judgements, forward-looking estimates, and key assumptions adopted in the underlying cash flow forecast of the CGU where the goodwill belongs.

We identified goodwill impairment assessment as a key audit matter as the carrying amount is significant and the impairment assessment involved significant management judgements and estimation of uncertainty.

Our procedures in relation to the management's impairment assessment included:

- Understanding management process and the key controls in impairment assessment of goodwill and the preparation of cash flow projections, including the key assumptions and inputs;

- Evaluating the appropriateness of model used by the management in the value-in-use calculation and whether it was prepared in compliance with IAS 36 Impairment of Assets;

- Evaluating the reasonableness of the key assumptions used in the value-in-use calculations, challenging the estimates and assumptions used by the management in preparing the cash flow forecast and evaluating the accuracy of historical cash flows forecast by comparing them to actual result;

- Evaluating the reasonableness of the sensitivity analysis provided by the management to assess the extent of impact on the value-in-use calculations;

- Assessing the appropriateness of the disclosures regarding the impairment assessment on goodwill in accordance with IAS 36 *Impairment of Assets*.

OTHER INFORMATION

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

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

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

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

The directors of the Company are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as management determines 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.

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

The engagement partner on the audit resulting in the independent auditor's report is Leung, David.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	NOTES	Year ended 31 December 2024 RMB'000	 2023 RMB'000
Revenue	5	**2,484,150**	3,028,155
Cost of sales		**(1,810,591)**	(2,406,205)
Gross profit		**673,559**	621,950
Other income	7a	**12,855**	23,268
Other gains and losses	7b	**(12,973)**	(40,334)
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	8	**1,067**	601
Distribution and selling expenses		**(88,106)**	(97,951)
Administrative expenses		**(208,344)**	(224,665)
Research and development expenses		**(2,261)**	(2,981)
Other expense		**(4,686)**	(1,805)
Share of results of associates	22	**(4,473)**	(4,152)
Finance costs	9	**(67,518)**	(70,326)
Profit before tax	10	**299,120**	203,605
Income tax expense	11	**(123,571)**	(52,708)
Profit for the year		**175,549**	150,897
Other comprehensive (expense) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(30,250)**	14,367
Impairment loss for receivables at fair value through other comprehensive income ("**FVTOCI**") included in profit or loss		**3,697**	1,949
Other comprehensive (expense) income for the year		**(26,553)**	16,316
Total comprehensive income for the year		**148,996**	167,213
Profit (loss) for the year attributable to:			
Owners of the Company		**180,941**	151,796
Non-controlling interests		**(5,392)**	(899)
		175,549	150,897
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**154,904**	167,727
Non-controlling interests		**(5,908)**	(514)
		148,996	167,213
Basic and diluted earnings per share (RMB cent per share)	17	**9.4**	7.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2024

	NOTES	**31 December 2024 RMB'000**	31 December 2023 RMB'000
Non-current assets			
Property, plant and equipment	18	**654,085**	736,243
Goodwill	19	**209,132**	209,132
Intangible assets	20	**279,655**	564,565
Right-of-use assets	21	**194,559**	192,259
Interests in associates	22	**8,088**	18,536
Financial assets at fair value through profit or loss ("**FVTPL**")	30	**147**	2,563
Deferred tax assets	25	**212,949**	97,742
Deposits on acquisition of long-lived assets		**7,385**	12,581
Restricted deposits	26	**24,061**	37,347
Pledged bank deposits	31	**71,994**	71,994
Investment deposits		**–**	7,000
		1,662,055	1,949,962
Current assets			
Inventories	27	**261,314**	232,356
Trade and other receivables	28	**222,469**	188,307
Receivables at FVTOCI	29	**286,076**	394,685
Pledged bank deposits	31	**454,162**	572,944
Cash and cash equivalents	31	**358,128**	270,258
Amount due from a related party	48	**6,047**	6,047
		1,588,196	1,664,597
Assets classified as held for sale	13	**341,697**	–
		1,929,893	1,664,597
Current liabilities			
Trade, bills and other payables	32	**914,987**	1,100,073
Amount due to a related party	48	**6,950**	2,742
Borrowings	34	**895,857**	728,621
Lease liabilities	36	**2,196**	3,303
Contract liabilities	33	**65,712**	76,877
Tax liabilities		**107,046**	142,914
		1,992,748	2,054,530
Liabilities associated with assets classified as held for sale	13	**75,942**	–
		2,068,690	2,054,530
Net current liabilities		**(138,797)**	(389,933)
Total assets less current liabilities		**1,523,258**	1,560,029

at 31 December 2024

	NOTES	31 December 2024 RMB'000	31 December 2023 RMB'000
Capital and reserves			
Share capital	38	**160,203**	160,203
Reserves		**1,274,588**	1,243,715
Equity attributable to owners of the Company		**1,434,791**	1,403,918
Non-controlling interests		**6,811**	46,639
Total equity		**1,441,602**	1,450,557
Non-current liabilities			
Borrowings	34	**–**	55,000
Lease liabilities	36	**–**	2,098
Provision	35	**29,096**	42,374
Other long-term liabilities	37	**–**	10,000
Deferred tax liabilities	25	**52,560**	–
		81,656	109,472
		1,523,258	1,560,029

The consolidated financial statements on pages 79 to 199 were approved and authorised for issue by the board of directors on 20 March 2025 and are signed on its behalf by:

YANG JIYE	**ZHENG XUEZHI**
DIRECTOR	*DIRECTOR*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Attributable to owners of the Company													
	Share capital RMB'000 (note 38)	Restricted shares held for Incentive Award Scheme RMB'000 (note 41)	Share premium RMB'000	Statutory surplus reserve RMB'000 (note a)	Safety funds reserve RMB'000 (note b)	Translation reserve RMB'000	Share-based payments reserve RMB'000	Special reserve RMB'000 (note c)	Other reserve RMB'000 (note d)	FVTOCI reserve RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2023	160,203	(38,814)	342,158	249,575	672,332	(11,644)	2,869	(1,577,161)	(16,988)	–	1,491,830	1,274,360	6,976	1,281,336
Profit (loss) for the year	–	–	–	–	–	–	–	–	–	–	151,796	151,796	(899)	150,897
Other comprehensive income for the year	–	–	–	–	–	13,982	–	–	–	1,949	–	15,931	385	16,316
Total comprehensive income (expense) for the year	–	–	–	–	–	13,982	–	–	–	1,949	151,796	167,727	(514)	167,213
Transfer to future development funds reserve, net of utilisation	–	–	–	–	(46,744)	–	–	–	–	–	46,744	–	–	–
Recognition of equity-settled share-based payments (note 40)	–	–	–	–	–	–	2,656	–	–	–	–	2,656	–	2,656
Dividend declared (note 16)	–	–	–	–	–	–	–	–	–	–	(35,307)	(35,307)	–	(35,307)
Profit appropriation to statutory surplus reserve	–	–	–	295	–	–	–	–	–	–	(295)	–	–	–
Purchase of ordinary shares pursuant to the Scheme (as defined in note 41)	–	(5,518)	–	–	–	–	–	–	–	–	–	(5,518)	–	(5,518)
Acquisition of a subsidiary (note 12)	–	–	–	–	–	–	–	–	–	–	–	–	40,177	40,177
At 31 December 2023	160,203	(44,332)	342,158	249,870	625,588	2,338	5,525	(1,577,161)	(16,988)	1,949	1,654,768	1,403,918	46,639	1,450,557
Profit (loss) for the year	–	–	–	–	–	–	–	–	–	–	180,941	180,941	(5,392)	175,549
Other comprehensive (expense) income for the year	–	–	–	–	–	(29,734)	–	–	–	3,697	–	(26,037)	(516)	(26,553)
Total comprehensive (expense) income for the year	–	–	–	–	–	(29,734)	–	–	–	3,697	180,941	154,904	(5,908)	148,996
Transfer to future development funds reserve, net of utilisation	–	–	–	–	(23,036)	–	–	–	–	–	23,036	–	–	–
Recognition of equity-settled share-based payments (note 40)	–	–	–	–	–	–	4,566	–	–	–	–	4,566	–	4,566
Dividend declared (note 16)	–	–	–	–	–	–	–	–	–	–	(70,206)	(70,206)	–	(70,206)
Profit appropriation to statutory surplus reserve	–	–	–	255	–	–	–	–	–	–	(255)	–	–	–
Acquisition of non-controlling interest of a subsidiary (note 12)	–	–	–	–	–	–	–	–	(58,391)	–	–	(58,391)	(33,920)	(92,311)
At 31 December 2024	160,203	(44,332)	342,158	250,125	602,552	(27,396)	10,091	(1,577,161)	(75,379)	5,646	1,788,284	1,434,791	6,811	1,441,602

Notes:

(a) In accordance with the relevant company laws and regulations of the People's Republic of China (the "**PRC**") and the Articles of Association of the PRC subsidiaries, the PRC subsidiaries are required to appropriate 10% of their profit after taxation reported in their financial statements prepared in accordance with relevant accounting principles and financial regulations applicable to enterprises established in the PRC (the "**PRC GAAP**") to the statutory surplus reserve. The appropriation to statutory surplus reserve may cease if the balance of the statutory surplus reserve has reached 50% of the registered capital of the relevant PRC subsidiaries.

The statutory surplus reserves can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. However, when converting the statutory surplus reserve of the PRC subsidiaries into capital, the balance of such reserve remaining unconverted must not be less than 25% of the registered capital of the relevant PRC subsidiaries.

(b) Pursuant to regulation in the PRC, Fushun Hanking Aoniu Mining Co., Ltd* (撫順罕王傲牛礦業股份有限公司) ("**Aoniu Mining**"), and Fushun Hanking Shangma Mining Co., Ltd* (撫順罕王上馬礦業有限公司) ("**Shangma Mining**"), subsidiaries of the Group carrying on Iron Ore Business (as defined in note 1), are required to transfer an amount to a safety fund ranging from RMB RMB5-15 (2023: RMB5-15) per ton of iron ore mined annually.

Fushun Hanking Direct Reduced Iron Co., Ltd.* (撫順罕王直接還原鐵有限公司) ("**Hanking D.R.I.**") and Benxi Yuqilin New Material Limited* (本溪玉麒麟新材料有限公司) ("**Benxi Yuqilin**"), subsidiaries of the Group carrying on High-purity Iron Business (as defined in note 1), are required to transfer an amount to a safety fund ranging from 0.05% - 3% (2023: 0.05% - 3%) of annual operating income.

On 21 November 2022, the PRC government released new rules for safety fund. If the balance of the entity's safety fund reaches three times or more of the accrued amount of the previous year, the transfer to safety fund can be ceased. Following the effective of the new rules in November 2022, only Benxi Yuqilin are still required to transfer an amount to a safety fund as Benxi Yuqilin have not met the requirement.

Pursuant to the requirement of the PRC government, the fund comprises mainly the safety fund which can be used for safety facilities and environment improvement. Upon incurring qualifying safety expenditure, an equivalent amount should be transferred from this safety fund to retained earnings. This safety fund is not available for distribution to shareholders. The amount provided and utilised during the current year amounted to RMB17,792,000 (2023: RMB5,550,000) and RMB40,828,000 (2023: RMB52,294,000) respectively.

(c) Special reserve mainly represented the distribution to the then equity shareholders at the time when the Company undergone business combination involving entities under common control in 2013 and 2019.

* English name is for identification purpose only.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

Notes: – Continued

(d) Other reserve consist of:

(1) the deemed capital contribution/distribution arising from a series of group reorganisations in relation to the High-purity Iron Business during the year ended 31 December 2015;

(2) the deemed capital contribution arising from the disposal of a subsidiary and an associate of Fushun Hanking Ginseng & Iron Trading Co., Ltd.* (撫順罕王人參鐵貿易有限公司) ("**Ginseng & Iron**") to Fushun Majuncheng Iron Co., Ltd. and Hanking Industrial Group Co., Ltd. which are controlled by Ms. Yang Min, one of the Controlling Shareholders (as defined in note 1), respectively during the year ended 31 December 2015;

(3) the dilution impact to the change in the Group's interest in a subsidiary during the year ended 31 December 2016;

(4) the dilution impact to the Group's equity interest in Hanking Australia Investment Pty Ltd ("**Hanking Australia**") from 97% to 94% for the year ended 31 December 2018;

(5) the deemed distribution arising from the interest-free amount due from a related party and financial guarantees provided to related parties controlled by Mr. Yang Jiye, one of the Controlling Shareholders;

(6) On 29 June 2018, Tuochuan (Hong Kong) Limited ("**Tuochuan (Hong Kong)**") acquired 99% equity interest of Ginseng & Iron from Liaoning Huaren Shengze Enterprise Management Group Co., Ltd.* (遼寧華仁盛澤企業管理集團有限公司) ("**Huaren Shengze**") (formerly known as Liaoning Hanking Investment Co., Ltd.* (遼寧罕王投資有限公司)), which was owned as to 99% by Mr. Yang Jiye, one of the Controlling Shareholders and 1% by his spouse Ms. He Wan, for a consideration of RMB128,700,000, resulting in a debit to other reserve of RMB128,700,000 as deemed distribution, accordingly;

(7) On 24 August 2018, Hanking Australia, which was owned as to 97% by the Group and 3% by Golden Resource Pty Ltd. ("**Golden Resource**"), whose 100% equity interests were owned and controlled by Dr. Qiu Yumin ("**Dr Qiu**"), a director of Hanking Australia and an executive director of the Company, and Golden Resource, entered into a loan capitalisation agreement pursuant to which the Group proposed to capitalise the loan previously advanced to Hanking Australia from the Company amounting to Australia Dollars ("**AUD**") 42,000,000 (equivalent to RMB209,345,000) as capital contribution to Hanking Australia (the "**Capital Injection**"). Golden Resource had been exempted from such capital contribution with its equity interest in Hanking Australia remained unchanged. Such exemption amount of AUD1,260,000 (equivalent to RMB6,280,000) was considered as salary payment to Dr. Qiu and charged to profit or loss immediately, with a corresponding credit to "non-controlling interests" in equity during the year ended 31 December 2018;

* English name is for identification purpose only.

Notes: – Continued

(d) Other reserve consist of: – Continued

(8) the deemed capital contribution arising from the gain on disposal in respect of Hanking (Indonesia) Mining Limited ("**Hanking (Indonesia)**") and its subsidiaries and Shanghai Hanking Housing Technology Co., Ltd.* (上海罕王住宅工業科技有限公司) and its subsidiaries to related parties controlled by Mr. Yang Jiye, one of the Controlling Shareholders, during the year ended 31 December 2019;

(9) the difference of RMB10,434,000 between the carrying amount of the non-controlling interests, and the fair value of the consideration paid arising from acquisition of 100% equity interest in Zhenghai Investment Limited; and

(10) On 25 October 2024, Watkins Gold Pty Ltd ("**Watkins Gold**") acquired an additional 36.7% equity interest in Cygnet Gold Pty Ltd ("**Cygnet Gold**") for a consideration of AUD19,380,000 (equivalent to RMB92,311,000) from non-controlling interest. Watkins Gold's direct equity interest in Cygnet Gold at 31 December 2024 is 93.4%. Taking into account the Group's 94% equity interest in Hanking Australia, the Group's equity interest in Cygnet Gold is 87.8% as at 31 December 2024. The excess of consideration paid over the value of non-controlling interest of RMB58,391,000 was debited to other reserve in the consolidated statement of changes in equity.

* English name is for identification purpose only.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	NOTES	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
OPERATING ACTIVITIES			
Profit before tax		**299,120**	203,605
Adjustments for:			
Finance costs		**67,518**	70,326
Share of results of associates		**4,473**	4,152
Interest income		**(10,221)**	(20,970)
Write-down of inventories		**–**	785
Impairment loss on property, plant and equipment		**–**	11,807
Impairment loss of interests in associates		**5,975**	19,252
Impairment losses under ECL model, net of reversal		**(1,067)**	(601)
Loss on disposal/write off of property, plant and equipment		**3,981**	199
Loss relating to termination of a lease		**–**	49
Depreciation of property, plant and equipment		**104,951**	126,479
Amortisation of intangible assets		**19,931**	20,833
Amortisation of right-of-use assets		**14,821**	16,650
Fair value loss (gain) on financial assets at FVTPL		**907**	(384)
Net foreign exchange loss		**54**	1,825
Recognition of equity-settled share-based payments		**4,566**	2,656
Operating cash flows before movements in working capital		**515,009**	456,663
(Increase) decrease in inventories		**(28,958)**	161,888
(Increase) decrease in trade and other receivables		**(64,352)**	7,479
Decrease (increase) in receivables at FVTOCI		**10,388**	(314,870)
(Decrease) increase in trade, bills and other payables		**(78,315)**	94,371
Decrease in contract liabilities		**(11,165)**	(34,923)
Decrease in deferred income		**–**	(437)
Decrease in rehabilitation provision		**(1,156)**	(2,513)
Cash generated from operations		**341,451**	367,658
Income tax paid		**(162,782)**	(48,693)
NET CASH FROM OPERATING ACTIVITIES		**178,669**	318,965

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	NOTES	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		**(61,748)**	(42,220)
Payments for acquisition of intangible assets		**(67,273)**	(82,170)
Payments for acquisition of right-of-use assets		**(9,265)**	(9,219)
Proceeds on disposal of property, plant and equipment		**2,620**	141
Interest received		**8,421**	20,970
Withdrawal of restricted deposits		**29**	6
Placement of restricted deposits		**(134)**	(512)
Net cash flow on acquisition of Fushun Shuangfu Mining Co., Ltd. ("**Shuangfu Mining**")	12	**(13,854)**	–
Advance to third parties		**–**	(20,000)
Advance received from third parties	28	**36,600**	20,000
Advance receipt from Huineng Gold Pty Ltd ("**Huineng Gold**")	32	**8,464**	–
Settlement of consideration payable for acquisition of Emerald Planet Group		**–**	(37,200)
Net cash outflow on acquisition of Cygnet Gold	12	**(92,311)**	(36,751)
Withdrawal of pledged bank deposits in relation to borrowings and bills payables		**1,096,214**	1,418,946
Placement of pledged bank deposits in relation to borrowings and bills payables		**(977,432)**	(1,340,964)
Payment of investment deposits		**–**	(7,000)
Proceeds from disposal of listed investments		**1,452**	–
Payments for investment in unlisted managed investment funds		**(3,000)**	–
Proceeds from disposal of unlisted managed investment funds		**3,000**	1,000
NET CASH USED IN INVESTING ACTIVITIES		**(68,217)**	(114,973)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	NOTES	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
FINANCING ACTIVITIES			
New borrowings raised		**714,629**	684,455
Repayments of borrowings		**(504,172)**	(464,650)
Proceeds from notes financing		**1,130,111**	2,653,728
Payments for notes financing		**(1,228,283)**	(2,730,978)
Payments of lease liabilities		**(3,381)**	(3,994)
Interest paid		**(65,429)**	(68,397)
Dividend paid to owners of the Company		**(69,695)**	(38,610)
Loans raised from related parties		**653,914**	267,479
Repayment of advance from a related party		**(649,706)**	(328,175)
Purchase of ordinary shares pursuant to the Scheme (as defined in note 41)	41	**–**	(5,518)
Repayment of amount due to an independent third party		**–**	(32,500)
NET CASH USED IN FINANCING ACTIVITIES		**(22,012)**	(67,160)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**88,440**	136,832
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**270,258**	134,411
Cash and cash equivalents of the Disposal Group (as defined in note 13) eliminated upon transfer to assets classified as held for sale (note 13)		**(1,817)**	–
Effect of foreign exchange rate changes		**1,247**	(985)
TOTAL CASH AND CASH EQUIVALENTS AT 31 DECEMBER		**358,128**	270,258
REPRESENTED BY CASH AND CASH EQUIVALENTS		**358,128**	270,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

1. GENERAL INFORMATION

China Hanking Holdings Limited (the "**Company**") is a public limited company incorporated in the Cayman Islands on 2 August 2010 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 30 September 2011. In the opinion of the directors of the Company (the "**Directors**"), Bisney Success Limited (incorporated in the British Virgin Islands ("**BVI**")), Tuochuan Capital Limited (incorporated in the BVI) and China Hanking (BVI) Limited (incorporated in the BVI), shareholders of the Company, are the ultimate parents of the Company as they are collectively controlled by the Company's ultimate controlling shareholders, Mr. Yang Jiye, who is also the chief executive officer ("**CEO**"), president and executive director of the Company, and Ms. Yang Min (collectively, the "**Controlling Shareholders**"). The address of the registered office of the Company in Cayman Islands is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of principal place of business of the Company in Hong Kong is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

The Company is an investing holding company. During the year ended 31 December 2024, the Company and its subsidiaries (the "**Group**") are engaged in the following three principal activities:

(i) iron ore exploration, mining, processing and sale ("**Iron Ore Business**");

(ii) high-purity iron smelting, processing and sale ("**High-purity Iron Business**"); and

(iii) gold exploration, mining, processing and sale ("**Gold Business**").

Details of the Company's subsidiaries are set out in note 39.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to IFRS Accounting Standards for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

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

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

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 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS *(CONTINUED)*

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 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 IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

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

3.1. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. 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 ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

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

3.1. Basis of preparation of consolidated financial statements *(continued)*

Going Concern Assessment

The Directors have given careful consideration to the going concern of the Group in light of the fact that as at 31 December 2024, the Group's current liabilities exceeded its current assets by RMB138,797,000. In addition, as at 31 December 2024, the Group had capital commitments contracted for but not provided in the consolidated financial statements amounting to RMB41,544,000 as disclosed in note 43.

As at 31 December 2024, the Group had available conditional banking facilities of RMB563,430,000 ("**Conditional Facilities**"). The utilisation of these Conditional Facilities are subject to approval by the banks on a case-by-case basis. The Directors are confident that the Group would be successful in obtaining approval in respect of these Conditional Facilities according to its historical successful experience and the relevant terms and conditions to drawdown. The Directors are also confident that the Group's bank borrowings can be successfully renewed upon maturity in view of the Group's historical successful experience in rolling over the borrowing upon expiration. Subsequent to the end of the year ended 31 December 2024,the Group has obtained additional conditional banking facilities of RMB300,000,000, and bank borrowings in the amount of RMB187,000,000 has been successfully renewed.

In light of the above, the management of the Group has prepared the cash flow forecast covering the period for the next twelve months for the purpose of going concern assessment. In the opinion of the Directors, together with the other financial resources available to the Group, including cash and cash equivalents on hand, the maturity profile and the successful rate applied in rolling over the bank borrowing, and the anticipated cash flow from the operations; the Group has sufficient working capital for its present requirements, that is for at least the next twelve months commencing from the end of the reporting period. Hence, the consolidated financial statements have been prepared on a going concern basis.

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

3.2. Material accounting policy information

Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

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

3.2. Material accounting policy information *(continued)*

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of good, or for administrative purpose (other than construction in progress). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

3.2. Material accounting policy information *(continued)*

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives, or recognised using the units of production method. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets - exploration and evaluation assets

Exploration and evaluation costs incurred where such expenditure is considered likely to be recoverable through future extraction activity or sale, or where the exploration activities have not reached a stage which permits a reasonable assessment of the existence of reserves, is capitalised and recorded on the consolidated statement of financial position as intangible assets within the category of exploration and evaluation assets at the exploration stage.

Exploration and evaluation assets comprise costs directly attributable to:

- Research and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods;
- Compiling pre-feasibility and feasibility studies.

Exploration and evaluation assets are stated at cost less any impairment losses. Exploration and evaluation costs include expenditure incurred to secure further mineralisation in existing ore bodies. Exploration and evaluation rights will be transferred to mining rights once the mining rights certificates obtained. The carrying amount of exploration and evaluation rights is assessed for impairment when facts or circumstances suggest the carrying amount of the asset may exceed its recoverable amount.

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

3.2. Material accounting policy information *(continued)*

Intangible assets *(continued)*

Mining rights

Mining rights are stated at cost less amortisation and any recognised impairment loss. The mining rights are amortised over the shorter of the unexpired period of the rights on the straight-line basis or the estimated useful lives of the mines, in accordance with the production plans of the entities concerned and the proved and probable reserves of the mines using the units of production method.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss in the period when the asset is derecognised.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office rooms and machines that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

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

3.2. Material accounting policy information *(continued)*

Leases *(continued)*

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments).

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

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

3.2. Material accounting policy information *(continued)*

Leases *(continued)*

The Group as a lessee (continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "**lease modifications**").

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

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

3.2. Material accounting policy information *(continued)*

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill *(continued)*

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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

3.2. Material accounting policy information *(continued)*

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("**CGUs**") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 5 and 33.

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

3.2. Material accounting policy information *(continued)*

Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Business combinations or asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction- by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

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

3.2. Material accounting policy information *(continued)*

Business combinations or asset acquisitions *(continued)*

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "**Conceptual Framework**") except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

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

3.2. Material accounting policy information *(continued)*

Business combinations or asset acquisitions *(continued)*

Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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

3.2. Material accounting policy information *(continued)*

Business combinations or asset acquisitions *(continued)*

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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

3.2. Material accounting policy information *(continued)*

Financial instruments *(continued)*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

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

3.2. Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Classification and subsequent measurement of financial assets *(continued)*

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowance are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

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

3.2. Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Classification and subsequent measurement of financial assets *(continued)*

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, receivables at FVTOCI, pledged bank deposits, restricted deposits, cash and cash equivalents, amount due from a related party and investment deposits). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.

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

3.2. Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

3.2. Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(i) Significant increase in credit risk *(continued)*

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

3.2. Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

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

3.2. Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probabilities of default ("**PD**"), loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the PD and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The ECL for trade and other receivables are assessed individually.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for receivables that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account. For receivables that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amounts of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

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

3.2. Material accounting policy information *(continued)*

***Financial instruments** (continued)*

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of receivables at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities and equity

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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

3.2. Material accounting policy information *(continued)*

Financial instruments *(continued)*

Financial liabilities

Financial liabilities at amortised cost

Financial liabilities including trade, bills and other payables, borrowings, amount due to a related party, lease liabilities and other long-term liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

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

3.2. Material accounting policy information *(continued)*

Taxation *(continued)*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

3.2. Material accounting policy information *(continued)*

Taxation *(continued)*

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, ultimate costs incurred for rehabilitation provisions, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities, rehabilitation provisions and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differeces.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

3.2. Material accounting policy information *(continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

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

3.2. Material accounting policy information *(continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

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

3.2. Material accounting policy information *(continued)*

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to retained earnings. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to retained earnings.

When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to other reserve.

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognises, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

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

3.2. Material accounting policy information *(continued)*

Share-based payments *(continued)*

Equity-settled share-based payment transactions (continued)

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

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

3.2. Material accounting policy information *(continued)*

Closure and rehabilitation

The mining extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling; removal or treatment of waste materials and restoration; site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of relevant authorities and the Group's environmental policies.

Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation and at the time of closure in connection with disturbances at the reporting date. Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

The timing of the actual closure and rehabilitation expenditure is dependent upon a number of factors such as the life and nature of the asset, the operating licence conditions, the principles of the Group's charter and the environment in which the mine operates. Expenditure may occur before and after closure and can continue for an extended period of time dependent on closure and rehabilitation requirements.

Closure and rehabilitation provisions are based on estimates of required expenditure at the mines in accordance with the relevant rules and regulations where the mines of the Group located. 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, the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in mining related assets as included in property, plant and equipment and depreciated accordingly. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognised in finance costs.

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

3.2. Material accounting policy information *(continued)*

Employee benefits

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Retirement benefit costs

Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

The Company does not operate any defined contribution schemes, and as such, there is no forfeited contributions, nor does the Company employ any actuary for defined benefit plans.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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

3.2. Material accounting policy information *(continued)*

Investments in associates

An associate is an entity over which the Group has 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.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Judgement in determining the classification of debt instruments

As part of the Group's cash flow management, substantial part of the bills are discounted to financial institutions or endorsed to suppliers before the bills are due for settlement. The management of the Group considered that the Group's business model over bills receivables is held to both collect contractual cash flows and to have them sold. Therefore, the management of the Group has satisfied that bills receivables are classified as receivables at FVTOCI.

Key sources of estimation uncertainty

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

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU (or group of CGUs) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU (or group of CGUs) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 December 2024, the carrying amount of goodwill is RMB209,132,000 (2023: RMB209,132,000) (net of accumulated impairment loss of nil (2023: nil)). Details of the recoverable amount calculation are disclosed in note 24.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

Key sources of estimation uncertainty *(continued)*

Estimated useful lives of property, plant and equipment and intangible assets

The Group determines the estimated useful lives and related depreciation/amortisation charges for its property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature, taking into consideration of the production plan and the estimated reserves of the mines (included in intangible assets) using the unit-of-production method. The Group will increase the depreciation/amortization charge where useful lives are less than previously estimated lives, or write off/write down those assets which are technically obsolete or abandoned.

Reserve estimates

Proved and probable reserve estimates are estimates of the quantity of iron ore that can be economically and legally extracted from the Group's mining properties, determined according to independent technical review reports with the consideration of recent production and technical information of each mine. Fluctuations in factors including the price of iron ore, production costs and transportation costs of iron ore, a variation on recovery rates or unforeseen geological or geotechnical perils may render the management to change the production plan, resulting in a revision on the estimates of iron ore reserves.

Because the economic assumptions used to estimate reserves change from period to period, and because additional geological data is generated during the course of operations, estimates of reserves may change from period to period.

Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charged to profit or loss may change where such charges are determined by the unit-of-production basis, or where the useful economic lives of assets change.
- The carrying value of deferred tax assets may change due to changes in estimates of the likely recovery of the tax benefits.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

Key sources of estimation uncertainty *(continued)*

Estimated impairment of long-lived assets (property, plant and equipment, intangible assets and right-of-use assets)

Assets such as property, plant and equipment, intangible assets and right-of-use assets are reviewed at the end of each reporting period to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognised.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and value in use calculated based on its present value of expected future cash flows. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. In assessing value in use, it involves managements' significant judgments and assumptions on budgeted revenue, gross margin, long term growth rate, and discount rate when preparing the cash flow forecast to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flow, additional impairment loss may arise. On the contrary, a reversal of impairment loss may become necessary.

As at 31 December 2024, the carrying amount of long-lived assets is RMB1,128,299,000 (net of accumulated impairment losses of RMB134,911,000 (2023: RMB1,493,067,000 (net of accumulated impairment losses of RMB142,491,000)).

Closure and rehabilitation provision

Closure and rehabilitation provision as set out in note 35 has been determined by the Directors based on current regulatory requirements and their best estimates. The management of the Group estimate this liability for final reclamation and mine closure is based on detailed calculation of the amounts and timing of future cash flows that required to perform the required work. The provision reflects the present value of the expenditures expected to be required to settle the obligation. However, as the impact on the land and environment resulting from mining activities will become apparent only in future periods, the estimate of the associated costs may be subject to change in the future. The provision is reviewed regularly to properly reflect the present value of the obligation arising from the current and past mining activities. As at 31 December 2024, the carrying amount of closure and rehabilitation provision was RMB29,096,000 (2023: RMB42,374,000).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

Key sources of estimation uncertainty *(continued)*

Estimated impairment of financial assets

The Group reviews its financial assets to assess impairment on a regular basis. The methodologies and assumptions used for estimating the impairment are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The Directors estimate the amount of loss allowance for ECL on financial assets (including trade and other receivables, receivables at FVTOCI, restricted deposits, pledged bank deposits and bank balances), based on the credit risk of these assets. The estimation of the credit risk of these assets involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise. As at 31 December 2024, the carrying amount of the financial assets which are subject to ECL measurement is approximately RMB1,361,767,000 (net of allowance for doubtful debts of RMB32,777,000) (2023: RMB1,482,195,000 (net of allowance for doubtful debts of RMB38,108,000)).

Recognition of deferred tax assets

The Group recognised deferred tax assets for all deductible temporary differences to the extent that it is probable that taxable profit would be available against which the deductible temporary difference can be utilised. In cases where the actual future profits generated are less than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

As at 31 December 2024, the Group has recognised deferred tax assets before offsetting deferred tax liabilities in the amount of RMB230,556,000 (2023: RMB174,219,000).

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

A. For the year ended 31 December 2024

	For the year ended 31 December 2024			
	Iron Ore Business RMB'000	High-purity Iron Business RMB'000	Others RMB'000	Total RMB'000
Sales of goods (recognised at a point in time)				
Iron ore concentrates	**200,318**	**–**	**–**	**200,318**
High-purity iron	**–**	**2,252,706**	**–**	**2,252,706**
Building materials	**–**	**–**	**2,287**	**2,287**
Raw and leftover materials	**1,473**	**23,409**	**1,590**	**26,472**
	201,791	**2,276,115**	**3,877**	**2,481,783**
Rendering of service (recognised over time)				
Processing of iron ore	**2,367**	**–**	**–**	**2,367**
	2,367	**–**	**–**	**2,367**
Total	**204,158**	**2,276,115**	**3,877**	**2,484,150**
Geographical markets				
Mainland China	**204,158**	**2,276,115**	**3,877**	**2,484,150**

B. For the year ended 31 December 2023

	For the year ended 31 December 2023			
	Iron Ore Business RMB'000	High-purity Iron Business RMB'000	Others RMB'000	Total RMB'000
Sales of goods (recognised at a point in time)				
Iron ore concentrates	245,680	–	–	245,680
High-purity iron	–	2,774,630	–	2,774,630
Building materials	–	–	3,388	3,388
Raw and leftover materials	1,060	3,190	207	4,457
Total	246,740	2,777,820	3,595	3,028,155
Geographical markets				
Mainland China	246,740	2,777,820	3,595	3,028,155

5. REVENUE *(CONTINUED)*

(ii) Performance obligations for contracts with customers and revenue recognition policies

Sales of goods

The Group produces and sales iron ore concentrates, high-purity iron, building materials and raw and leftover materials directly to customers.

Revenue is recognised when control of the goods has transferred, being the time when the goods are delivered and accepted. Following acceptance, the customers have the ability to direct the use of, and obtain substantially all the benefits from the goods. Therefore, the Directors have justified that the performance obligation in respect of the sales of goods is satisfied when the goods are accepted by the customers and recognised revenue at a point in time. The normal credit term is 7 days for iron ore concentrates, 60 days for high-purity iron and 30 days for building materials upon acceptance. The Group may request certain of its customers to place up to 100% of the contract sum as deposits in respect of sales of iron ore concentrates and high-purity iron, depending on their background, historical experience and business relationship. The deposit received is accounted for as "contract liabilities". The related performance obligation is expected to be satisfied within one year.

Rendering of service

The Group provides a service of iron ore processing to Fushun Majuncheng Iron Mine Co., Ltd.* (撫順市馬郡城鐵礦有限責任公司) ("**Fushun Majuncheng**"), a related party of the Group. The iron ore is provided by Fushun Majuncheng. The Group allows a credit period of 30 days to its customer of processing of iron ore.

Revenue from provision of such service is charged on a per-ton basis and is recognised at over time by reference to the progress towards complete satisfaction of the relevant performance obligation as the customer simultaneously receives and consumes the benefits provided by the Group when the Group renders the service.

6. OPERATING SEGMENTS

The Group's operating businesses are structured and managed separately according to the geographical information of the operations and products. The principal activities of the Group are Iron Ore Business, High-purity Iron Business in the PRC, and Gold Business in the Australia. The Group identified an operating segment which is a component of the Group (a) that engages in business activities from which it may earn revenue and incur expenses; and (b) whose operating results are reviewed regularly by the CEO, being the chief operating decision maker ("**CODM**"), to make decisions about resources allocation and performance assessment.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Other operating segment represents production and sales of building materials (i.e. foamed ceramics) ("**Building Material Business**").

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 December 2024

	Iron Ore Business RMB'000	High-Purity Iron Business RMB'000	Gold Business RMB'000	Others RMB'000	Adjustments and elimination RMB'000	Consolidated RMB'000
Segment revenue						
External sales	204,158	2,276,115	–	3,877	–	2,484,150
Inter-segment sales	762,017	5,790	–	–	(767,807)	–
	966,175	2,281,905	–	3,877	(767,807)	2,484,150
Segment profit (loss)	403,015	(78,174)	(8,737)	(8,957)	13,228	320,375
Central administration costs and directors' salaries						(6,181)
Other income and other gains and losses						(10,601)
Share of results of associates						(4,473)
Group's profit before tax						299,120

6. OPERATING SEGMENTS *(CONTINUED)*

Segment revenues and results *(continued)*

For the year ended 31 December 2023

	Iron Ore Business RMB'000	High-Purity Iron Business RMB'000	Gold Business RMB'000	Others RMB'000	Adjustments and elimination RMB'000	Consolidated RMB'000
Segment revenue						
External sales	246,740	2,777,820	–	3,595	–	3,028,155
Inter-segment sales	764,751	5,962	–	–	(770,713)	–
	1,011,491	2,783,782	–	3,595	(770,713)	3,028,155
Segment profit (loss)	381,243	(132,153)	(16,310)	(12,351)	14,304	234,733
Central administration costs and directors' salaries						(6,924)
Other income and other gains and losses						(20,052)
Share of results of associates						(4,152)
Group's profit before tax						203,605

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit earned by or loss incurred from each segment without allocation of central administration costs and directors' salaries, share of results of associates, other income and other gains and losses (except for impairment loss on property, plant and equipment, and intangible assets). This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. OPERATING SEGMENTS *(CONTINUED)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Segment assets

	31/12/2024 RMB'000	31/12/2023 RMB'000
Iron Ore Business	**1,090,381**	1,218,489
High-purity Iron Business	**1,657,039**	1,834,140
Gold Business	**560,234**	459,094
Total reportable segment assets	**3,307,654**	3,511,723
Other reporting segments	**65,557**	68,518
Unallocated		
Financial assets at FVTPL	**147**	2,563
Other receivables	**6,047**	6,047
Interests in associates	**8,088**	18,536
Cash and cash equivalents	**204,455**	7,172
Consolidated assets	**3,591,948**	3,614,559

Segment liabilities

	31/12/2024 RMB'000	31/12/2023 RMB'000
Iron Ore Business	**616,182**	688,635
High-purity Iron Business	**1,352,664**	1,422,462
Gold Business	**141,938**	18,846
Total reportable segment liabilities	**2,110,784**	2,129,943
Other reporting segment	**3,013**	5,281
Unallocated		
Tax liabilities	**33,865**	26,605
Dividend payable	**2,684**	2,173
Consolidated liabilities	**2,150,346**	2,164,002

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

6. OPERATING SEGMENTS *(CONTINUED)*

Segment assets and liabilities *(continued)*

Segment liabilities *(continued)*

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable and operating segments other than financial assets at FVTPL, other receivables, interests in associates and cash and cash equivalents which are held by the headquarter and cannot be allocated; and

- all liabilities are allocated to reportable and operating segments other than certain tax liabilities and dividend payable incurred by the headquarter.

For the year ended 31 December 2024

	Iron Ore Business RMB'000	High-Purity Iron Business RMB'000	Gold Business RMB'000	Total reportable segment RMB'000	Others RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Addition to non-current assets (note)	69,508	21,351	37,465	128,324	11,469	139,793
Depreciation and amortisation	85,169	50,800	631	136,600	3,103	139,703
Loss (gain) on disposal and write off of property, plant and equipment	3,984	(1,124)	–	2,860	1,121	3,981
Impairment losses recognised (reversed) on trade receivables	56	1,963	–	2,019	(3,150)	(1,131)
Impairment losses reversed on other receivables	(3,633)	–	–	(3,633)	–	(3,633)
Impairment losses recognised on receivables at FVTOCI	2,616	1,081	–	3,697	–	3,697

Note: Non-current assets included property, plant and equipment, intangible assets and right-of use assets.

6. OPERATING SEGMENTS *(CONTINUED)*

Segment assets and liabilities *(continued)*

Segment liabilities *(continued)*

For the year ended 31 December 2023

	Iron Ore Business RMB'000	High-Purity Iron Business RMB'000	Gold Business RMB'000	Total reportable segment RMB'000	Others RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Addition to non-current assets (note)	88,961	12,126	116,489	217,576	544	218,120
Depreciation and amortisation	103,360	55,381	689	159,430	4,532	163,962
Impairment loss on property, plant and equipment	11,807	–	–	11,807	–	11,807
Loss on disposal and write off of property, plant and equipment	149	50	–	199	–	199
Impairment losses recognised (reversed) on trade receivables	1,279	(1,933)	–	(654)	(4,682)	(5,336)
Impairment losses on other receivables	2,289	–	–	2,289	–	2,289
Impairment losses on pledged bank deposits	497	–	–	497	–	497
Impairment losses on receivables at FVTOCI	157	1,792	–	1,949	–	1,949
Write-down of inventories	–	–	–	–	785	785

Note: Non-current assets included property, plant and equipment, intangible assets and right-of use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

6. OPERATING SEGMENTS *(CONTINUED)*

Geographical information

The Group's operations are located in the PRC and Australia.

Information about the Group's revenue from external customers is presented based on locations of customers. Information about the Group's non-current assets is presented based on the geographical areas of the assets.

	Revenue from external customers Year ended		Non-current assets	
	31/12/2024 RMB'000	31/12/2023 RMB'000	**31/12/2024 RMB'000**	31/12/2023 RMB'000
The PRC	**2,484,150**	3,028,155	**1,248,296**	1,307,283
Australia	**–**	–	**97,224**	418,649
Japan	**–**	–	**7,384**	7,384
	2,484,150	3,028,155	**1,352,904**	1,733,316

Note: Non-current assets excluded financial instruments and deferred tax assets.

Information about major customers

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

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Customer A[1]	**425,332**	N/A[2]

1 Revenue from sales of high-purity iron

2 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

7A. OTHER INCOME

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Bank interest income	**10,221**	20,970
Government grants	**1,052**	1,098
Rental income	**1,200**	1,200
Others	**382**	–
	12,855	23,268

7B. OTHER GAINS AND LOSSES

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Impairment loss on property, plant and equipment (note 23)	**–**	(11,807)
Impairment loss on interest in an associate (note 22)	**(5,975)**	(19,252)
Fair value (loss) gain on financial assets at FVTPL	**(907)**	384
Net foreign exchange loss	**(54)**	(1,825)
Loss on disposal/write off of property, plant and equipment	**(3,981)**	(199)
Compensation due to late settlement of consideration payable	**–**	(2,000)
Others	**(2,056)**	(5,635)
	(12,973)	(40,334)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

8. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Impairment (reversed) losses recognised in respect of:		
– trade receivables	**(1,131)**	(5,336)
– other receivables	**(3,633)**	2,289
– pledged bank deposits	**–**	497
– receivables at FVTOCI	**3,697**	1,949
	(1,067)	(601)

9. FINANCE COSTS

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Interests on bank borrowings	**41,877**	41,197
Interests on other borrowings	**1,181**	–
Interests on bills discounted	**22,841**	27,188
Interests on lease liabilities	**176**	298
Interests on rehabilitation provision	**1,443**	1,443
Others	**–**	200
	67,518	70,326

10. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting) the following items:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Auditor's remuneration		
– Audit services	3,700	3,500
– Other services	681	215
	4,381	3,715
Cost of inventories recognised as an expense (note)	1,698,170	2,322,271
Depreciation of property, plant and equipment	104,951	126,479
Amortisation of intangible assets	19,931	20,833
Depreciation of right-of-use assets	14,821	16,650
Total depreciation and amortisation	139,703	163,962
Capitalised in inventories	(116,085)	(140,762)
	23,618	23,200
Analysed as:		
– charged in research and development expenses	1	20
– charged in administrative expenses	23,617	23,180
	23,618	23,200

Note: The amount included write-down of inventories of nil (2023: RMB785,000) for the year ended 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

10. PROFIT BEFORE TAX *(CONTINUED)*

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Salaries, allowances and benefits	**180,332**	193,215
Bonus	**9,685**	8,062
Retirement benefit scheme contributions	**13,414**	15,391
Share-based payments	**4,566**	2,656
Total staff costs (including Directors)	**207,997**	219,324
Capitalised in inventories and exploration and evaluation assets	**(91,247)**	(89,831)
	116,750	129,493
Analysed as:		
– charged in research and development expenses	**49**	802
– charged in distribution and selling expenses	**1,296**	6,893
– charged in administrative expenses	**115,405**	121,798
	116,750	129,493
Research and development cost charged in profit or loss analysed as:		
– depreciation and amortisation	**1**	20
– raw materials consumed	**6**	876
– staff costs	**49**	802
– technical service fee	**2,201**	1,066
– others	**4**	217
	2,261	2,981

11. INCOME TAX EXPENSE

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**114,567**	106,476
Withholding tax	**7,260**	7,105
Under provision in prior years	**4,737**	1,248
	126,564	114,829
Deferred tax (note 25):		
Current year	**(7,192)**	(38,760)
Write-down of previously recognised deferred tax	**4,199**	–
Attributable to changes in tax rate	**–**	(23,361)
	(2,993)	(62,121)
Total income tax expense recognised in the current year	**123,571**	52,708

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 except disclosed as below.

In 2022, Aoniu Mining obtained "High Technology Enterprise" status for three years, qualifying it for a preferential tax rate of 15% from 2022 to 2024, subject to fulfilment of relevant qualification criteria. This year, the management reassessed the requirements for High Technology Enterprise to determine its eligibility and concluded that, based on the relevant qualification criteria, it would be more appropriate to apply the standard tax rate of 25% instead of the preferential tax rate.

The Company and certain subsidiaries located in Hong Kong and Australia did not have provision for income tax as there were no assessable profits arising from these jurisdictions for both years.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

11. INCOME TAX EXPENSE *(CONTINUED)*

The income tax expense for the years can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Profit before tax	**299,120**	203,605
Tax at the PRC income tax rate of 25%	**74,780**	50,901
Tax effect of expenses not deductible for tax purpose	**9,490**	1,970
Tax effect of research and development expenses that are additionally deducted	**(455)**	(519)
Tax effect of deductible temporary differences not recognised	**(1,655)**	6,171
Tax effect of tax losses not recognised	**14,627**	10,243
Utilisation of deductible temporary difference and tax losses previously not recognised	**–**	(1,050)
Change in opening deferred tax asset resulting from a change in applicable tax rate	**–**	(23,361)
Under provision in respect of prior years	**4,737**	1,248
Write-down of previously recognised deferred tax	**4,199**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(565)**	–
Deferred tax adjustment on investment in Disposal Group (as defined in note 13)	**11,153**	–
Withholding tax	**7,260**	7,105
Income tax expense for the year	**123,571**	52,708

12. ACQUISITION OF SUBSIDIARIES

(a) During the year ended 31 December 2024

(i) Acquisition of Shuangfu Mining

On 5 February 2024, Aoniu Mining, a wholly owned subsidiary of the Company, acquired a 100% equity interest in Shuangfu Mining for RMB21,000,000, of which a deposit of RMB7,000,000 was paid as of 31 December 2023. Following completion of the acquisition, Shuangfu Mining become a wholly-owned subsidiary of Aoniu Mining.

As the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, with remaining balance of the purchase price allocated to exploration and evaluation assets at the date of acquisition.

12. ACQUISITION OF SUBSIDIARIES *(CONTINUED)*

(a) During the year ended 31 December 2024 *(continued)*

(i) Acquisition of Shuangfu Mining (continued)

Assets and liabilities recognised at the date of acquisition

	RMB'000
Cash and cash equivalents	146
Intangible assets - exploration and evaluation assets	21,118
Other payables	(264)
Net assets	21,000
Consideration paid in cash in 2023	7,000
Consideration paid in cash in 2024	14,000
Net assets acquired	21,000

Net cash outflows arising on acquisition of Shuangfu Mining

	RMB'000
Consideration paid in cash in 2023	7,000
Consideration paid in cash in 2024	14,000
Less: cash and cash equivalents acquired	(146)
	20,854

(ii) Acquisition of non-controlling interest of Cygnet Gold

On 25 October 2024, Watkins Gold, a wholly-owned subsidiary of Hanking Australia, acquired an additional 36.7% equity interest in Cygnet Gold for a consideration of AUD19,380,000 (equivalent to RMB92,311,000) from non-controlling interest. Watkins Gold's direct equity interest in Cygnet Gold increased from 56.7% to 93.4% as at 31 December 2024. The excess of consideration paid over the value of the non-controlling interest of RMB58,391,000, was taken to other reserve in the consolidated statement of changes in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

12. ACQUISITION OF SUBSIDIARIES *(CONTINUED)*

(b) During the year ended 31 December 2023

On 22 June 2023, Watkins Gold, a wholly-owned subsidiary of Hanking Australia, acquired a 46.8% equity interest in Cygnet Gold for an aggregate consideration of RMB45,458,000, which included an initial deposit of RMB7,542,000 paid in the year ended 31 December 2022. On 4 October 2023, Watkins Gold acquired a further 9.9% equity interest of Cygnet Gold for a consideration of RMB23,465,000. Following completion of these acquisitions, Cygnet Gold become a 56.7% owned subsidiary of Watkins Gold.

Cygnet Gold holds a number of mining and exploration tenements for North Southern Cross (NSX) gold projects including Golden Pig and Copperhead.

The Group elected to apply the optional concentration test in accordance with IFRS 3 "Business Combinations" and concluded that all the tenements and attached capitalised expenditures are similar in nature and have similar risks associated with managing assets.

Consequently, the Group determined that substantially all of the fair value of the gross assets (excluding cash and cash equivalents) acquired is concentrated in a group of similar identifiable assets and concluded that the acquired set of activities and assets is not a business.

Assets and liabilities recognised at the date of acquisition

	RMB'000
Cash and cash equivalents	24,630
Trade and other receivables	30
Intangible assets	84,440
Liabilities	–
Net assets	109,100
Consideration paid in cash in 2022	7,542
Consideration paid in cash in 2023	61,381
Non-controlling interest	40,177
Net assets acquired	109,100

Net cash outflows arising on acquisition of Cygnet Gold

	RMB'000
Consideration paid in cash in 2022	7,542
Consideration paid in cash in 2023	61,381
Less: cash and cash equivalents acquired	(24,630)
	44,293

13. ASSETS CLASSIFIED AS HELD FOR SALE

On 1 July 2024, HGM Resources Pty Ltd, one of the subsidiaries of the Company, signed a share sale agreement for disposing 100% of the equity interest in Primary Gold Pty Ltd and its wholly-owned subsidiary, Primary Minerals Pty Ltd, (the "**Disposal Group**") (the "**Disposal**"). Pursuant to the share sale agreement, the Company conditionally agreed to dispose, and the purchaser, Huineng Gold, conditionally agreed to purchase, 100% of the equity interest in Primary Gold Pty Ltd at a purchase price of AUD300 million plus the environmental bond amount of AUD3,116,653 (equivalent to RMB1,444,351,000 in aggregate). This disposal was offered by the purchaser following a competitive global sales process and based on an arm's length negotiation. Completion is expected to occur within 12 months and is conditional upon the satisfaction of the key conditions, which are, approval from the Australia Foreign Investment Review Board and the Chinese National Development and Reform Commission.

The assets and liabilities attributable to the Disposal Group, which are expected to be sold within twelve months, have been classified as assets held for sale and are presented separately in the consolidated statement of financial position. The Disposal Group is included in the Group's Gold Business for segment reporting purposes (see note 6).

Since the net proceeds from the disposal are expected to exceed the net carrying amount of the Disposal Group, no impairment loss is required to be recognised.

The major classes of assets and liabilities of the Disposal Group classified as held for sale are as follows:

	RMB'000
Property, plant and equipment	13,791
Intangible assets	313,643
Restricted deposits	12,284
Other receivables	162
Cash and cash equivalents	1,817
Total assets classified as held for sale	341,697
Provisions	12,496
Deferred tax liabilities	59,304
Trade and other payables	4,142
Total liabilities classified as held for sale	75,942

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the 11 (2023:8) Directors were as follows:

	For the year ended 31 December 2024					
	Directors' fees RMB'000	Retirement benefit scheme contributions RMB'000	Salaries, allowances and benefits in kind RMB'000	Equity settled share-based expense RMB'000	Bonus RMB'000	Total RMB'000
Executive directors (note e):						
– Yang Jiye (note a)	–	247	1,227	–	660	2,134
– Zheng Xuezhi (note b)	–	131	1,012	–	108	1,251
– Dr. Qiu	–	330	2,995	2,504	–	5,829
– Zhang Jing (note c)	–	167	562	–	244	973
Non-executive directors (note f):						
– Kenneth Lee (note d)	88	–	–	–	–	88
– Xia Zhuo	222	–	–	–	–	222
– Zhao Yanchao (note c)	176	–	–	–	–	176
Independent non-executive directors (note g):						
– Wang Ping	292	–	–	–	–	292
– Wang Anjian	252	–	–	–	–	252
– Ma Qingshan (note d)	88	–	–	–	–	88
– Zhao Bingwen (note c)	176	–	–	–	–	176
	1,294	875	5,796	2,504	1,012	11,481

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(CONTINUED)*

	For the year ended 31 December 2023					
	Directors' fees RMB'000	Retirement benefit scheme contributions RMB'000	Salaries, allowances and benefits in kind RMB'000	Equity settled share-based expense RMB'000	Bonus RMB'000	Total RMB'000
Executive directors (note e):						
– Yang Jiye (note a)	–	242	1,227	–	660	2,129
– Zheng Xuezhi (note b)	–	121	912	–	108	1,141
– Dr. Qiu	–	339	3,151	1,473	–	4,963
Non-executive directors (note f):						
– Kenneth Lee (note d)	217	–	–	–	–	217
– Xia Zhuo	217	–	–	–	–	217
Independent non-executive directors (note g):						
– Wang Ping	272	–	–	–	–	272
– Wang Anjian	217	–	–	–	–	217
– Ma Qingshan (note d)	217	–	–	–	–	217
	1,140	702	5,290	1,473	768	9,373

* Bonuses are determined based on the duties and performances of the relevant individuals and the operating result of the Group.

Notes:

(a) Yang Jiye is the CEO of the Group.

(b) Zheng Xuezhi is the chief operating officer of the Group.

(c) Zhang Jing, Zhao Yanchao and Zhao Bingwen were appointed on 23 May 2024.

(d) Kenneth Lee and Ma Qingshan were resigned on 23 May 2024.

(e) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

(f) The non-executive directors' emoluments shown above were for their services as directors of the Group.

(g) The independent non-executive directors' emoluments shown above were for their services as directors of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(CONTINUED)*

During both current and prior years, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any remuneration during the both years.

During the year ended 31 December 2022, Dr. Qiu was granted share options of Hanking Australia, in respect of his services to the Group under the subsidiary share option scheme. Details of the subsidiary share option scheme are set out in note 40.

15. FIVE HIGHEST PAID EMPLOYEES

During the year, the five highest paid individuals included 2 directors (2023: 2 directors), details of whose emoluments are set out in note 14. The emoluments of the remaining three (2023: three) highest paid individual of 2024 were as follows:

	Year ended	
	31/12/2024 RMB'000	31/12/2023 RMB'000
Employee		
– Salaries, allowances and benefits in kind	**2,742**	3,577
– Bonus	**1,729**	968
– Retirement benefits scheme contributions	**333**	223
	4,804	4,768

The emoluments of the five highest paid individuals were within the following bands:

	2024 No. of Individuals	2023 No. of Individuals
Hong Kong Dollars ("**HKD**") 1,500,001 to HKD2,000,000	**3**	2
HKD2,000,001 to HKD2,500,000	**1**	2
HKD5,000,001 to HKD5,500,000	**–**	1
HKD6,000,001 to HKD6,500,000	**1**	–
	5	5

During current year, no remuneration was paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

16. DIVIDENDS

	Year ended	
	31/12/2024	31/12/2023
	RMB'000	RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2023 Final - HKD0.02 (2022: nil) per share (note)	**34,986**	–
2024 Interim - HKD0.02 (2023: HKD0.02) per share (note)	**35,220**	35,307
	70,206	35,307

Note:

During the current year, a dividend of HKD0.02 per share amounting to HKD39,200,000 (equivalent to RMB35,706,000) in aggregate in respect of the year ended 31 December 2023 was declared, among which HKD38,409,000 (equivalent to RMB34,986,000) (net of the dividend of HKD791,000 (equivalent to RMB720,000) attributable to the restricted shares held for the restricted share award scheme) was paid (2023: no dividends in respect of the end of the year ended 31 December 2022 was declared and paid to the owners of the Company) to the owners of the Company whose names appear in the Register of Members on 7 June 2024. An interim dividend of HKD0.02 per share amounting to HKD39,200,000 (equivalent to RMB35,945,000) in aggregate was declared, among which HKD38,409,000 (equivalent to RMB35,220,000) (net of the dividend of HKD791,000 (equivalent to RMB725,000) attributable to the restricted shares held for the restricted share award scheme) was paid (2023: interim dividend of HKD0.02 per share amounting to HKD39,200,000 (equivalent to RMB35,980,000) in aggregate was declared, among which HKD38,467,000 (equivalent to RMB35,307,000) (net of the dividend of HKD733,000 (equivalent to RMB673,000) attributable to the restricted shares held for the restricted share award scheme) was paid) to the owners of the Company whose names appear in the Register of Members on 9 October 2024.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of HKD0.02 (2023: HKD0.02), per ordinary share, in an aggregate amount of HKD39,200,000 (equivalent to RMB36,301,000) (2023: HKD39,200,000 (equivalent to RMB35,706,000)), has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming general annual meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

17. EARNINGS PER SHARE

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

	Year ended	
	31/12/2024	31/12/2023
	RMB'000	RMB'000
Profit for the year attributable to owners of the Company, for the purposes of basic and diluted earnings per share	**180,941**	151,796

	Number of shares	
	31/12/2024	31/12/2023
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,920,461,000**	1,925,763,000

There is no ordinary shares repurchased during the current year.

The weighted average number of ordinary shares for the year ended 31 December 2023 for the purpose of basic and diluted earnings per share has been adjusted for the weighted average effect of 8,476,000 ordinary shares repurchased as restricted shares held for strategic incentive award scheme.

18. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Mining structures RMB'000	Plant and machinery RMB'000	Other equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At 1 January 2023	848,306	180,936	884,171	29,533	109,972	86,139	2,139,057
Additions	376	–	6,849	1,003	4,064	39,853	52,145
Transfer	25,890	–	1,204	350	–	(27,444)	–
Disposals/write off	(48)	–	(479)	(2,031)	(703)	–	(3,261)
Exchange adjustments	22	–	–	–	16	330	368
At 31 December 2023	874,546	180,936	891,745	28,855	113,349	98,878	2,188,309
Additions	302	–	22,674	1,691	1,920	17,636	44,223
Transfer	67,069	–	9,036	91	–	(76,196)	–
Reclassified as held for sale	–	–	–	–	–	(13,791)	(13,791)
Disposals/write off	(16,032)	(28)	(14,421)	(1,811)	(23,012)	(1,200)	(56,504)
Exchange adjustments	–	–	(55)	–	(40)	(1,022)	(1,117)
At 31 December 2024	925,885	180,908	908,979	28,826	92,217	24,305	2,161,120
DEPRECIATION AND IMPAIRMENT							
At 1 January 2023	451,347	144,464	582,781	22,426	97,055	18,600	1,316,673
Provided for the year	50,217	8,159	59,182	2,446	6,475	–	126,479
Impairment loss recognised in profit or loss	1,730	209	7,640	1,071	3,047	(1,890)	11,807
Eliminated on disposals/write off	(32)	–	(442)	(1,775)	(672)	–	(2,921)
Exchange adjustments	21	–	–	–	7	–	28
At 31 December 2023	503,283	152,832	649,161	24,168	105,912	16,710	1,452,066
Provided for the year	52,665	2,070	43,098	1,631	5,487	–	104,951
Transfer	1,401	–	–	–	–	(1,401)	–
Eliminated on disposals/write off	(12,952)	(13)	(13,244)	(1,782)	(21,912)	–	(49,903)
Exchange adjustments	–	–	(55)	–	(24)	–	(79)
At 31 December 2024	544,397	154,889	678,960	24,017	89,463	15,309	1,507,035
CARRYING VALUES							
At 31 December 2024	381,488	26,019	230,019	4,809	2,754	8,996	654,085
At 31 December 2023	371,263	28,104	242,584	4,687	7,437	82,168	736,243

The Group is in the process of applying for the title certificates for certain buildings with carrying amount of RMB1,750,000 as at 31 December 2024 (2023: RMB2,550,000).

18. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

The above items of property, plant and equipment, except for mining structures and construction in progress, after taking into account their estimated residual value, are depreciated on a straight-line basis within the following period:

Buildings	8 to 20 years
Plant and machinery	3 to 10 years
Other equipment	3 to 5 years
Motor vehicles	3 to 12 years

The mining structures are infrastructures which include mainly the main and auxiliary mine shafts, underground tunnels and other mining costs capitalised for the future economic benefits of the operation. Depreciation is provided to write off the cost of the mining structures on straight-line basis over the estimated use lives ranging from 5 to 20 years of the respective mines.

No impairment loss has been recognised during the year ended 31 December 2024 (2023: the management recognised an impairment loss of RMB11,807,000 for the relevant items of property, plant and equipment used in Iron Ore Business). Details for the impairment of Iron Ore Business are set out in note 23.

Certain property, plant and equipment of the Group had been pledged as securities for bank borrowings as at 31 December 2024 and 2023 with detail disclosures summarised in note 44.

18. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

The Group as lessor

The Group leases out a commercial property under an operating lease. The lease run for an initial period of 5 years (2023: 5 years). The lease does not include variable lease payments. The disaggregation of the commercial property under the operating lease included within buildings and the reconciliation of the carrying amount at the beginning and end of the period are set out as below:

	RMB'000
Cost	
At 1 January and 31 December 2024	12,430
DEPRECIATION	
At 1 January 2023	461
Provided for the year	426
At 31 December 2023	887
Provided for the year	426
At 31 December 2024	1,313
CARRYING VALUE	
At 31 December 2024	11,117
At 31 December 2023	11,543

19. GOODWILL

	Acquisition of Emerald Planet Group RMB'000
Cost and carrying values	
At 1 January and 31 December 2024	209,132

Particulars regarding impairment testing on goodwill are disclosed in note 24.

20. INTANGIBLE ASSETS

	Software RMB'000	Mining rights RMB'000	Exploration and evaluation assets RMB'000	Technical know-how RMB'000	Total RMB'000
COST					
At 1 January 2023	13,037	442,368	322,735	10,904	789,044
Additions	2,883	–	69,433	–	72,316
Acquired on acquisition of a subsidiary (note 12 (b))	–	–	84,440	–	84,440
Exchange adjustments	–	–	12,904	–	12,904
At 31 December 2023	15,920	442,368	489,512	10,904	958,704
Additions	78	1,523	55,221	453	57,275
Acquired on acquisition of a subsidiary (note 12 (a)(i))	–	–	21,118	–	21,118
Reclassified as held for sale	–	–	(313,643)	–	(313,643)
Exchange adjustments	–	–	(29,808)	–	(29,808)
At 31 December 2024	15,998	443,891	222,400	11,357	693,646
AMORTISATION AND IMPAIRMENT					
At 1 January 2023	10,884	352,217	1,249	8,925	373,275
Charge for the year	1,655	17,871	–	1,307	20,833
Exchange adjustments	–	–	31	–	31
At 31 December 2023	12,539	370,088	1,280	10,232	394,139
Charge for the year	1,917	17,189	–	825	19,931
Exchange adjustments	–	–	(79)	–	(79)
At 31 December 2024	14,456	387,277	1,201	11,057	413,991
CARRYING VALUES					
At 31 December 2024	1,542	56,614	221,199	300	279,655
At 31 December 2023	3,381	72,280	488,232	672	564,565

The above intangible assets have definite useful lives. Software is amortised on a straight-line basis over five years. Mining rights are amortised over the shorter of the unexpired period of the rights on the straight-line basis based on actual mining production or the estimated useful lives of the mines in accordance with the production plans of the entities concerned and/or the proved and probable reserves of the mines using the units of production method. Exploration and evaluation assets will be transferred to mining rights once the mining rights certificates are obtained. Technical know-how is amortised on a straight-line basis over a period of five years.

20. INTANGIBLE ASSETS *(CONTINUED)*

No impairment loss has been recognised during both the years ended 31 December 2024 and 2023.

Certain intangible assets of the Group had been pledged as securities for bank borrowings as at 31 December 2024 and 2023 summarised in note 44.

21. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Offices and premises RMB'000	Total RMB'000
As at 31 December 2024			
Carrying amount	192,001	2,558	194,559
As at 31 December 2023			
Carrying amount	186,537	5,722	192,259
For the year ended 31 December 2024			
Depreciation charge	11,713	3,108	14,821
For the year ended 31 December 2023			
Depreciation charge	13,419	3,231	16,650

	Year ended	
	31/12/2024 RMB'000	31/12/2023 RMB'000
Expense relating to short-term leases	**1,615**	1,314
Total cash outflow for leases	**14,261**	14,527
Additions to right-of-use assets	**17,177**	9,219

For the year ended 31 December 2024, the Group leased certain leasehold lands, offices and premises, machinery and equipment (2023: leasehold lands, offices and premises, factory buildings, machinery and equipment) for its operations. Lease contracts of leasehold lands, offices and premises, machinery and equipment are entered into for a fixed term of 6 months to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The leasehold land is amortised over the benefit periods from 5 to 50 years. Included in the carrying amount of leasehold land, an amount of RMB95,922,000 (2023: RMB95,636,000) represented the pre-paid rental to various farmers for mining purpose and no land certificates for these pre-paid rental have been obtained. The offices, premises and factory buildings were amortised over the lease terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

21. RIGHT-OF-USE ASSETS *(CONTINUED)*

Certain right-of-use assets of the Group had been pledged as securities for bank borrowings as at 31 December 2024 and 2023 summarised in note 44.

The Group regularly entered into short-term leases for office and premises, machinery and equipment. As at 31 December 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short- term lease expense disclosed above.

Restrictions or covenants on leases

In addition, lease liabilities of RMB2,196,000 recognised with related right-of-use assets of RMB 2,558,000 as at 31 December 2024 (2023: lease liabilities of RMB5,401,000 are recognised with related right-of-use assets of RMB5,722,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

22. INTERESTS IN ASSOCIATES

	31/12/2024 RMB'000	31/12/2023 RMB'000
Cost of investment	**46,384**	46,384
Share of post-acquisition losses and other comprehensive expense	**(13,069)**	(8,596)
Impairment	**(25,227)**	(19,252)
	8,088	18,536

Name of associates	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest and voting rights held by the Group		Principal activities
			2024 %	2023 %	
Tibet Oudi Electronic Technology Co., Ltd* (西藏歐帝電子科技有限公司) ("**Tibet Oudi**") (note a)	PRC	PRC	**10.22**	10.22	Production and sales of LCD products
MCW Limited* (株式會社MCW) (note b)	Japan	Japan	**15.00**	15.00	Nursing school

* English name is for identification purpose only.

22. INTERESTS IN ASSOCIATES *(CONTINUED)*

Notes:

(a) The investment in Tibet Oudi was made by Shanghai Tuoao Industry Limited*(上海拓澳實業有限公司) ("**Shanghai Tuoao**"), a wholly owned subsidiary of the Group. Shanghai Tuoao entitled the right to appoint one director out of five in the board of directors of Tibet Oudi, as such, the Directors considered the Group is able to exercise significant influence over Tibet Oudi and accounted for as investment in an associate.

(b) The investment was made by the Company. The Company entitled the right to appoint two directors out of five in the board of directors, as such, the Directors considered the Group is able to exercise significant influence over MCW and accounted for as investment in an associate.

Financial information in respect of the material associate is set out below. The financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

Summarised financial information of material associate

Tibet Oudi is accounted for using the equity method in these consolidated financial statements.

	31/12/2024 RMB'000	31/12/2023 RMB'000
Current assets	**86,232**	126,447
Non-current assets	**121,773**	135,878
Current liabilities	**(154,294)**	(161,772)
Non-current liabilities	**(49,900)**	(49,900)

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Revenue	**154,849**	281,699
Loss for the year	**(46,609)**	(40,626)

* English name is for identification purpose only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

22. INTERESTS IN ASSOCIATES *(CONTINUED)*

Summarised financial information of material associate *(continued)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	31/12/2024 RMB'000	31/12/2023 RMB'000
Net assets of Tibet Oudi	**3,811**	50,653
Proportion of the Group's ownership interests in Tibet Oudi	**10.22%**	10.22%
The Group's share of net assets of Tibet Oudi	**389**	5,177
Goodwill	**25,227**	25,227
Impairment (note)	**(25,227)**	(19,252)
Carrying amount of the Group's interest in Tibet Oudi	**389**	11,152

Note: Owing to ongoing financial losses and alternations in the development strategy due to market reasons, the management of the Group has conducted an impairment assessment on the Group's interest in Tibet Oudi and concluded to recognise an impairment loss of RMB5,975,000 (2023: RMB19,252,000) during the current year.

23. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Impairment of tangible and intangible assets recognised during the year:		
Iron Ore Business	**–**	(11,807)
Total impairment loss recognised in the current year	**–**	(11,807)

23. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS *(CONTINUED)*

Details of the impairment assessment of the CGUs in Iron Ore Business and High-Purity Iron Business are further elaborated below:

Iron Ore Business

Aoniu Mine

Aoniu Mine is located in the township of Hou'an, Fushun County, Fushun City, and is operated by the Company through its subsidiary Aoniu Mining. Aoniu Mine owns mining licenses and has infrastructures including paved roads, electricity and water supplies. As the production of Aoniu Mine is not yet resumed, which is beyond the initial plan, the management of the Group considered there existed an indication for impairment and conducted an impairment assessment for the CGU. The recoverable amount of Aoniu Mine has been determined based on a value in use calculation. The calculation uses cash flow projections based on financial budgets approved by management covering 9 years (2023: 9 years), which is determined by projected years of production, and discount rate of 18.2% (2023: 13.0%). Other key assumptions for the value in use calculations related to the estimation of cash flows which include budgeted revenue and gross margin, such estimation is based on Aoniu's production capacity in processing the iron ore and management's expectations for the market demand. Following the impairment assessment conducted by the management for the year ended 31 December 2024, the management concluded that no further impairment loss is required to recognise (2023: nil). At the end of the reporting period, the carrying amount of long-lived assets of Aoniu Mine was RMB39,978,000 (net of accumulated impairment losses recognised for property, plant and equipment and right-of-use assets of RMB64,133,000).

Shangma Mine

Shangma Mine is located at the center of the iron ore belt in Fushun City, adjacent to Aoniu Mine, which is currently under infrastructure construction and exploration. Production is currently withheld for re-evaluation of mining reserve and planned to be in place in 2028. The production and development plans are still ongoing and updated regularly based on the latest exploration results. As a result of the assessment, the management concluded that no further impairment loss is required to recognise during the year ended 31 December 2024. (2023: nil).

Given that Shangma Mine is presently on hold for reassessment and development of a revised production, which is beyond the initial plan, the management of the Group considers this serves as an indicator for impairment taking into consideration of the future economic viability and profitability generated by Shangma Mine to cover the carrying amount of the long-lived assets in its current conditions. The recoverable amount of Shangma Mine has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering 15 years (2023: 14 years), which is based on projected years of production and the terms of mining right granted, whichever is the shorter, and discount rate of 18.5% (2023: 16.0%). Other key assumptions for the value in use calculations related to the estimation of cash flows include budgeted revenue and gross margin, such estimation is based on Shangma Mine's reserve estimates, estimated production capacity and management's expectations for the market demand. Following the impairment assessment conducted by the management for the year ended 31 December 2024, no impairment loss is required to be recognised for the CGU. At the end of the reporting period, the carrying amount of long-lived assets of Shangma Mine is RMB257,428,000 (net of accumulated impairment losses recognised for property, plant and equipment amounted to RMB43,578,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

23. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS *(CONTINUED)*

High-purity Iron Business

Due to the decrease in sales price resulting in operating loss for the current year, the management of the Group concluded there was indication for impairment and conducted impairment assessment. For the purpose of impairment testing, tangible and intangible assets with definite useful lives set out in notes 18, 20 and 21 in relation to High-purity Iron Business have been allocated to 2 individual CGUs, Lagu factory and Yuqilin factory.

The recoverable amount of Lagu factory and Yuqilin factory has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period (2023: 5-year period), and discount rate of 15.5% and 17.4% (2023:17.0% and 17.0%) for Lagu factory and Yuqilin factory, respectively. Lagu factory and Yuqilin factory 's cash flows beyond the 5-year period are extrapolated using a steady 1.5% (2023: 1.5%) growth rate. Other key assumptions for the value in use calculations related to the estimation of cash flows which include budgeted revenue and gross margin; such estimation is based on the unit's past performance and management's expectations for the markets development. The management of the Group considered no impairment loss is required to recognise for tangible and intangible assets of High-purity Iron Business. At the end of the reporting period, the carrying amount of long-lived assets of Lagu factory and Yuqilin factory amounted to RMB211,821,000 and RMB124,177,000, respectively.

24. IMPAIRMENT OF GOODWILL

For the purpose of impairment testing, goodwill (note 19) arising from the acquisition of Emerald Planet Group during the year ended 31 December 2020 have been allocated to a single individual CGU which is Yuqilin factory.

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period (2023: 5-year period), and discount rate of 17.4% (2023: 17.0%). Emerald Planet Group's cash flows beyond the 5-year period are extrapolated using a steady 1.5% (2023: 1.5%) growth rate. Other key assumptions for the value in use calculations related to the estimation of cash flows which include budgeted revenue and gross margin; such estimation is based on the unit's past performance and management's expectations for the market development. The management of the Group considered no impairment loss is required to recognise for goodwill.

25. DEFERRED TAX ASSETS

The following is the analysis of the deferred tax balances for financial reporting purposes:

	31/12/2024 RMB'000	31/12/2023 RMB'000
Deferred tax assets	**212,949**	97,742
Deferred tax liabilities	**(111,864)**	–
	101,085	97,742
Less: deferred tax liabilities of the Disposal Group eliminate upon transfer to liabilities associated with assets classified as held for sale (note 13)	**59,304**	–
	160,389	97,742

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Accelerated accounting/ tax depreciation RMB'000	Exploration and evaluation assets RMB'000	ECL provision/ doubtful debts RMB'000	Fair value adjustment on assets RMB'000	Tax losses RMB'000	Impairment RMB'000	Write off inventory RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Rehabilitation provisions RMB'000	Property, plant and equipment RMB'000	Deferred tax adjustment on investment in Disposal Group RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	(7,692)	(45,796)	7,063	(495)	67,579	9,873	879	(2,311)	2,362	8,746	(4,892)	-	305	35,621
Credit (charge) to profit or loss	3,906	(12,823)	586	(684)	48,141	(1,466)	-	839	(967)	(36)	1,623	-	(359)	38,760
Exchange adjustments	-	(1,308)	-	-	1,196	-	-	(14)	15	111	-	-	-	-
Effect of change in tax rate	(5,079)	-	3,654	-	17,125	7,166	-	-	-	2,094	(1,751)	-	152	23,361
At 31 December 2023	**(8,865)**	**(59,927)**	**11,303**	**(1,179)**	**134,041**	**15,573**	**879**	**(1,486)**	**1,410**	**10,915**	**(5,020)**	**-**	**98**	**97,742**
(Charge) credit to profit or loss	**(4,453)**	**(14,548)**	**(499)**	**(2,306)**	**65,846**	**-**	**-**	**806**	**(815)**	**829**	**(39)**	**(43,085)**	**1,257**	**2,993**
Reclassified as held for sale	**-**	**63,563**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,214)**	**-**	**-**	**(45)**	**59,304**
Exchange adjustments	**-**	**4,783**	**-**	**-**	**(5,582)**	**-**	**-**	**17**	**(21)**	**(319)**	**-**	**1,572**	**(100)**	**350**
At 31 December 2024	**(13,318)**	**(6,129)**	**10,804**	**(3,485)**	**194,305**	**15,573**	**879**	**(663)**	**574**	**7,211**	**(5,059)**	**(41,513)**	**1,210**	**160,389**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

25. DEFERRED TAX ASSETS *(CONTINUED)*

At the end of the reporting period, the Group has unused tax losses of approximately RMB905 million (2023: RMB823 million) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately RMB703 million (2023: RMB499 million) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately RMB202 million (2023: RMB324 million) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB202 million (2023: RMB174 million) with expiry dates as disclosed in the following table. Other losses may be carried forward indefinitely.

	31/12/2024 RMB'000	31/12/2023 RMB'000
2024	**–**	28,239
2025	**23,895**	23,895
2026	**42,575**	42,933
2027	**39,388**	39,529
2028	**39,008**	39,008
2029	**57,621**	–
	202,487	173,604

Other than unused tax losses, at the end of the reporting period, the Group has other deductible temporary differences of RMB244,280,000 (2023: RMB250,900,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the Law of the PRC on EIT, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary difference attributable to accumulated profit of the PRC subsidiaries amounting to RMB2,965 million (2023: RMB2,516 million) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

26. RESTRICTED DEPOSITS

	31/12/2024 RMB'000	31/12/2023 RMB'000
Restricted deposits placed in banks in respect of:		
Iron Ore Business	**23,494**	23,390
Gold Business	**12,851**	13,957
	36,345	37,347
Less: restricted deposits of the Disposal Group eliminated upon transfer to assets classified as held for sale (note 13)	**(12,284)**	–
	24,061	37,347

Note: The balances represented deposits placed in banks in respect of rehabilitation deposits for iron and gold mining operations. These deposits were not expected to release within the next twelve months, accordingly, they were classified as non-current assets.

These restricted deposits bear interests ranging from 0.35% to 2.75% (2023: 0.35% to 2.75%).

27. INVENTORIES

	31/12/2024 RMB'000	31/12/2023 RMB'000
Finished goods	**92,442**	73,696
Work in progress	**34,808**	36,701
Auxiliary materials	**134,064**	121,959
	261,314	232,356

As at 31 December 2024, the allowance for inventories amounted to RMB4,202,000 (2023: RMB6,625,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

28. TRADE AND OTHER RECEIVABLES

	31 December 2024 RMB'000	31 December 2023 RMB'000
Trade receivables		
– Related parties (note 48)	**2,675**	–
– Third parties	**171,942**	106,598
Less: Allowance for credit loss	**(18,318)**	(19,712)
	156,299	86,886
Other receivables		
– Advances to suppliers	**21,040**	24,713
– Interest receivable	**1,800**	–
– Deposits	**2,811**	2,811
– Deposit for resource tax	**11,756**	9,156
– Other tax recoverable	**3,313**	6,385
– Value-added tax recoverable	**19,093**	20,254
– Staff advance	**1,497**	2,453
– Prepaid expense	**4,633**	3,426
– Amount due from an independent third party (note)	**–**	36,600
– Others	**14,351**	13,522
	80,294	119,320
Less: Allowance for credit loss	**(13,962)**	(17,899)
Total other receivables	**66,332**	101,421
Total trade and other receivables	**222,631**	188,307
Less: other receivables of the Disposal Group eliminate upon transfer to assets classified as held for sale (note 13)	**(162)**	–
	222,469	188,307

Notes: The amount of RMB36,600,000 on 31 December 2023 represents a short term advance to a Group's major supplier, which has been repaid in full during the current year.

28. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

The Group allows an average credit period of 7 days (2023: 7 days) to its customers of iron ore concentrates, 60 days (2023: 60 days) to its customers of high-purity iron, 30 days (2023: 30 days) to its customers of building materials and 30 days to its customer of processing of iron ore. However, upon maturity of the credit period and under certain circumstances, the Group would further negotiate with its customers and may consider to extend the repayment date, based on its customer's history of payments and credit quality, on a case-by-case basis.

As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB36,726,000 (2023: RMB12,322,000) which are past due as at the reporting date. Based on the historical settlement pattern, industry practice and the Group's historical actual loss experience, the management of the Group considered that the risk of default would become high when those debtors had been past due over 1 year.

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

	31 December 2024 RMB'000	31 December 2023 RMB'000
– Within 7 days	**72,975**	72,193
– 8 days to 30 days	**2,266**	945
– 31 days to 60 days	**45,308**	11,764
– 61 days to 90 days	**14,545**	1,117
– 91 days to 1 year	**21,205**	867
	156,299	86,886

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

28. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

Movement of impairment on trade receivables for both years under IFRS 9:

	Lifetime ECL not credit-impaired RMB'000	Lifetime ECL credit-impaired RMB'000	Total RMB'000
As at 1 January 2023	3,074	21,974	25,048
– Impairment losses recognised	1,907	423	2,330
– Impairment losses reversed	(2,577)	(5,089)	(7,666)
– Transfer to credit-impaired	(10)	10	–
As at 31 December 2023	2,394	17,318	19,712
– Impairment losses recognised	**2,723**	**1,086**	**3,809**
– Impairment losses reversed	**(1,564)**	**(3,376)**	**(4,940)**
– Write-off	**–**	**(263)**	**(263)**
– Transfer to credit-impaired	**(1)**	**1**	**–**
As at 31 December 2024	**3,552**	**14,766**	**18,318**

Movement of allowance for other receivables for both years under IFRS 9:

	12m ECL RMB'000	Lifetime ECL not credit-impaired RMB'000	Lifetime ECL credit-impaired RMB'000	Total RMB'000
As at 1 January 2023	192	5,859	10,080	16,131
– Impairment losses recognised	–	1,521	1,169	2,690
– Impairment losses reversed	–	(401)	–	(401)
– Write-off	–	–	(521)	(521)
– Transfer to credit-impaired	(192)	192	–	–
As at 31 December 2023	–	7,171	10,728	17,899
– Impairment losses recognised	**–**	**39**	**322**	**361**
– Impairment losses reversed	**–**	**(3,994)**	**–**	**(3,994)**
– Write-off	**–**	**–**	**(304)**	**(304)**
As at 31 December 2024	**–**	**3,216**	**10,746**	**13,962**

29. RECEIVABLES AT FVTOCI

	31 December 2024 RMB'000	31 December 2023 RMB'000
Receivables at FVTOCI comprise:		
Bills receivables	**286,076**	394,685

The Group's receivables at FVTOCI were bills receivables with the following maturity.

	31 December 2024 RMB'000	31 December 2023 RMB'000
– Within 6 months	**286,076**	365,210
– 6 months to 1 year	**–**	29,475
	286,076	394,685

Movement of allowance for Receivables at FVTOCI for both years under IFRS 9:

	12m ECL RMB'000	Total RMB'000
As at 1 January 2024	1,949	1,949
– Impairment losses recognised	5,646	5,646
– Impairment losses reversed	(1,949)	(1,949)
As at 31 December 2024	**5,646**	**5,646**

29A. TRANSFERS OF FINANCIAL ASSETS

29A.1 Transferred financial assets that are not derecognised in their entirety

The following were the Group's financial assets as at 31 December 2024 and 2023 that were transferred to banks, suppliers or non-bank financial institutions by discounting/endorsing or factoring on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount of the receivables and has recognised the cash received as (i) other borrowings or bank borrowings from factoring of the trade receivables or discounting of the bills and (ii) as trade payables from endorsement of the bills with full recourse. The trade receivables are carried at amortised cost and the bills receivables are carried at fair value in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

29A. TRANSFERS OF FINANCIAL ASSETS *(CONTINUED)*

29A.1 Transferred financial assets that are not derecognised in their entirety (continued)

As at 31 December 2024

	Factoring of trade receivables to non-bank financial institutions with full recourse RMB'000	Bills discounted to banks that are not derecognised in their entirety RMB'000	Bills endorsed to suppliers that are not derecognised in their entirety RMB'000	Total RMB'000
Carrying amount of transferred assets	**49,600**	**87,580**	**161,762**	**298,942**
Carrying amount of associated liabilities	**(49,600)**	**(87,580)**	**(161,762)**	**(298,942)**
Net position	**–**	**–**	**–**	**–**

As at 31 December 2023

	Bills discounted to banks that are not derecognised in their entirety RMB'000	Bills endorsed to suppliers that are not derecognised in their entirety RMB'000	Total RMB'000
Carrying amount of transferred assets	97,547	204,104	301,651
Carrying amount of associated liabilities	(97,547)	(204,104)	(301,651)
Net position	–	–	–

29A.2 Transferred financial assets that are derecognised in their entirety but have continuing involvement

As of 31 December 2024, the Group had derecognised bills discounted to banks or endorsed to certain suppliers, but not expired on a full recourse basis amounting to RMB249,342,000 (2023: RMB301,651,000). These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered that the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group to pay off the outstanding balance. Therefore, the Group continued the involvement in these financial assets.

30. FINANCIAL ASSETS AT FVTPL

	31 December 2024 RMB'000	31 December 2023 RMB'000
Financial assets at FVTPL:		
Listed investments at fair value (note)	**147**	2,563
	147	2,563
Analysed for reporting purposes as:		
Non-current assets	**147**	2,563
	147	2,563

Note:

As at 31 December 2024, the listed equity investments represent the Group's equity interests in an entity (2023: two entities) listed on the Australian Securities Exchange. The investments are measured at fair value at the end of the reporting period.

31. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	31 December 2024 RMB'000	31 December 2023 RMB'000
Pledged bank deposits		
Non-current assets	**71,994**	71,994
Current assets	**454,162**	572,944
	526,156	644,938

Cash and cash equivalents of the Group comprise cash. The bank balances carry variable interest rates ranging from 0.125%- 0.35% (2023: 0.125%- 0.35%) per annum.

As at 31 December 2024, pledged bank deposits of RMB526,156,000 (2023: RMB644,938,000) represent security deposit for issuing bills and bank borrowings which had maturity date ranging from 6 months to 3 year (2023: 6 months to 3 year). The pledged bank deposits carried fixed interest rate of 0.25%-3.5% (2023: 0.25%-3.5%) per annum. The pledged bank deposits will be released upon the settlement of relevant bills and bank borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

31. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS *(CONTINUED)*

The bank balances which are denominated in the United States Dollars ("**USD**") and HKD, foreign currency of the respective group entities, are as follows:

	31/12/2024 RMB'000	31/12/2023 RMB'000
USD	**198,734**	1,026
HKD	**2,326**	6,563

Movement of allowance for pledged bank deposits for both years under IFRS 9:

	12m ECL RMB'000	**Total** RMB'000
At 1 January and 31 December 2024	**497**	**497**

32. TRADE, BILLS AND OTHER PAYABLES

Payment terms with suppliers are mainly on credit within 90 days and 15 days from the time when the goods are received from suppliers of Iron Ore Business and High-purity Iron Business respectively.

	31 December 2024 RMB'000	31 December 2023 RMB'000
Trade payables (note a)		
– Within 15 days	**110,825**	95,180
– 15 days to 90 days	**67,370**	113,452
– 91 days to 1 year	**10,347**	29,743
– 1 year to 2 years	**1,356**	1,380
– 2 years to 3 years	**191**	1,548
– Over 3 years	**5,302**	4,349
	195,391	245,652
Bills payables under note financing arrangements (note b)	**594,578**	692,750

32. TRADE, BILLS AND OTHER PAYABLES *(CONTINUED)*

	31 December 2024 RMB'000	31 December 2023 RMB'000
Other payables		
Advance receipt of value-added tax from customers	**8,575**	10,041
Other tax payable	**14,791**	33,792
Payable for acquisition of property, plant and equipment	**20,808**	35,617
Outsourced service payable	**14,781**	12,858
Transportation fee payable	**17,155**	22,715
Accrued expenses	**2,115**	4,526
Salary and bonus payables	**15,273**	15,535
Interest payable	**756**	286
Dividend payable	**2,684**	2,173
Refundable deposits	**5,662**	6,223
Payable for mining rights (note 37)	**10,000**	10,000
Advance receipt from Huineng Gold relating to the Disposal	**8,464**	–
Others	**8,096**	7,905
	129,160	161,671
Total trade, bills and other payables	**919,129**	1,100,073
Less:		
trade and other payables of the Disposal Group eliminate upon transfer to liabilities associated with assets classified as held for sale (note 13)	**(4,142)**	–
	914,987	1,100,073

Notes:

(a) The aged analysis of trade payables was presented based on the date of acceptance of the goods at the end of the reporting period.

(b) Certain of the Company's subsidiaries received bills issued by other Group entities in respect of certain intra-group transactions. The receiving entities of the Group had discounted such bills in full to bank or non-bank institutions to obtain financing. During the years ended 31 December 2024, such internally issued bills which had been discounted to banks or non-bank institutions amounted to RMB1,130,111,000 (2023: RMB2,653,728,000), which also represented the aggregate amount of the Group's underlying intragroup transactions settled by bills. The cash flows of such transactions have been presented in cash flow statement as financing activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

32. TRADE, BILLS AND OTHER PAYABLES *(CONTINUED)*

At the end of both reporting periods, the Group's bills payables were issued by banks with the following maturity.

	31 December 2024 RMB'000	31 December 2023 RMB'000
Within 6 months	**594,578**	606,750
6 months to 1 year	**–**	86,000
	594,578	692,750

33. CONTRACT LIABILITIES

	31 December 2024 RMB'000	31 December 2023 RMB'000
Amounts received in advance on sales of:		
– high-purity iron	**65,359**	76,179
– iron ore concentrates	**82**	123
– building materials	**271**	575
	65,712	76,877

The Group may request certain of its customers to place up to 100% of the contract sum as deposit in respect of sales of high-purity iron and iron ore concentrates, depending on the background, historical experience of and business relationship with the Group.

During the year ended 31 December 2024, the amount of revenue recognised that was included in the contract liabilities balance at the beginning of the year amounted to RMB76,877,000 (2023: RMB111,800,000).

34. BORROWINGS

	31 December 2024 RMB'000	31 December 2023 RMB'000
Bank loans	**846,257**	783,621
Other loans (note i)	**49,600**	–
	895,857	783,621
Fixed-rate borrowings	**895,857**	783,621
Secured and guaranteed	**508,228**	487,500
Secured and unguaranteed	**225,629**	184,121
Unsecured and guaranteed	**160,000**	110,000
Unsecured and unguaranteed	**2,000**	2,000
	895,857	783,621
The carrying amounts of the above borrowings are repayable (note ii):		
Within one year	**895,857**	728,621
More than one year, but not more than two years	**–**	55,000
	895,857	783,621

Notes:

i. Other loans were arising from factoring of trade receivables to non-bank financial institutions with full recourse. Details of the disclosures are set out in note 29A.

ii. The amounts are based on scheduled repayment dates set out in the respective loan agreements.

The ranges of effective interest rate of the Group's interest-bearing borrowings are as follows:

	31 December 2024 %	31 December 2023 %
Fixed-rate borrowings	**3.45 - 8.60**	3.45 - 8.60

The secured and guaranteed bank borrowings were guaranteed by the Controlling Shareholders and the companies controlled by them. Among the secured and guaranteed bank borrowings, RMB388,000,000 (31 December 2023: RMB366,000,000) were secured by certain property, plant and equipment, mining rights, right-of-use assets and shares of subsidiaries of the Group, and RMB120,228,000 (31 December 2023: RMB121,500,000) were secured by certain assets of the companies controlled by the Controlling Shareholders and shares of subsidiaries of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

34. BORROWINGS *(CONTINUED)*

The secured and unguaranteed bank borrowing of RMB87,900,000 (31 December 2023: RMB85,900,000) are secured by pledged bank deposits and RMB88,129,000 (31 December 2023: RMB98,221,000) are secured by receivables at FVTOCI of the Group.

The secured and unguaranteed other borrowing of RMB49,600,000 (31 December 2023: nil) are secured by trade receivables.

The unsecured and guaranteed bank borrowings of approximately RMB160,000,000 (31 December 2023: RMB110,000,000) at 31 December 2024 were guaranteed by subsidiaries of the Group, the Controlling Shareholders and the companies controlled by them.

35. PROVISION

	31 December 2024 RMB'000	31 December 2023 RMB'000
Analysed for reporting purposes as:		
Non-current liabilities	**29,096**	42,374

	Rehabilitation RMB'000
At 1 January 2024	**42,374**
Additional provision in the year	**2**
Interests on rehabilitation obligation	**1,443**
Payments on rehabilitation obligation	**(1,156)**
Reclassified as held for sale (note 13)	**(12,496)**
Exchange adjustments	**(1,071)**
At 31 December 2024	**29,096**

Rehabilitation provision balance represents the provision for environment restoration for Gold Business and Iron Ore Business.

36. LEASE LIABILITIES

	31 December 2024 RMB'000	31 December 2023 RMB'000
Lease liabilities payable:		
Within one year	**2,196**	3,303
Within a period of more than one year but not more than two years	**–**	2,098
	2,196	5,401
Less: Amount due for settlement within 12 months shown under current liabilities	**(2,196)**	(3,303)
Amount due for settlement after 12 months shown under non-current liabilities	**–**	2,098

The weighted average incremental borrowing rates applied to lease liabilities range from 3.00% to 4.35% (2023: from 3.00 % to 4.35%).

37. OTHER LONG-TERM LIABILITIES

	31 December 2024 RMB'000	31 December 2023 RMB'000
Payables for purchase of mining rights (note)	**10,000**	20,000
Less: amount due within one year (note 32)	**(10,000)**	(10,000)
	–	10,000

Note:

It represents the balance payable to a government authority for purchase of mining rights which is repayable within one year (2023: RMB20,000,000 which will be repayable by two equal instalments, of which, RMB10,000,000 is repayable within 12 months and classified under current liabilities).

The amount due within one year of RMB10,000,000 is included in other payables set out in note 32.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

38. SHARE CAPITAL

Details of movement in share capital of the Company are as follows:

	Number of shares		Share capital	
	2024	2023	**2024**	2023
	'000	'000	**HKD'000**	HKD'000
Ordinary shares of HKD0.1 each				
Authorised				
At 1 January and 31 December	**10,000,000**	10,000,000	**1,000,000**	1,000,000

	Number of shares		Share capital	
	2024	2023	**2024**	2023
	'000	'000	**RMB'000**	RMB'000
Issued and fully paid				
At 1 January and 31 December	**1,960,000**	1,960,000	**160,203**	160,203

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

39.1 General information of subsidiaries

Details of the Group's subsidiaries as at 31 December 2024 and 2023 are set out below.

Name of subsidiaries	Principal activities	Place of incorporation/ registration and operations	Issued and fully paid up share capital/ registered capital	Proportion of ownership interest and voting power held by the Group 31 December 2024	31 December 2023	Notes
Directly held:						
China Hanking Investment Limited	Investment holding	BVI	Ordinary shares USD1	**100.00%**	100.00%	
Hanking Australia	Investment holding	Australia	Ordinary shares AUD42,000,000	**94.00%**	94.00%	
Tuochuan (Hong Kong)	Investment holding	Hong Kong	Ordinary shares HKD1	**100.00%**	100.00%	
Emerald Planet	Investment holding	BVI	Ordinary shares USD1	**100.00%**	100.00%	

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(CONTINUED)*

39.1 General information of subsidiaries *(continued)*

Details of the Group's subsidiaries as at 31 December 2024 and 2023 are set out below. *(continued)*

Name of subsidiaries	Principal activities	Place of incorporation/ registration and operations	Issued and fully paid up share capital/ registered capital	Proportion of ownership interest and voting power held by the Group 31 December 2024	31 December 2023	Notes
Indirectly held:						
China Hanking (Hong Kong) Limited	Investment holding	Hong Kong	Ordinary shares HKD1	**100.00%**	100.00%	
China Hanking (BVI) International Limited	Investment holding	BVI	Ordinary shares USD1	**100.00%**	100.00%	
Shenyang Hanking Mineral Resources Group Co., Ltd. (瀋陽罕王礦產資源集團有限公司) (formerly known as Shenyang Toyo Steel Utility Co., Ltd (瀋陽東洋煉鋼公用設施有限公司))	Sales of iron ore mining products	PRC	Registered and paid-in capital USD84,000,000	**100.00%**	100.00%	b
Shenyang Yuanzheng Industry Co., Ltd* (瀋陽元正實業有限公司)	Sales of iron ore mining products	PRC	Registered and paid-in capital RMB5,000,000	**100.00%**	100.00%	a
Aoniu Mining	Sales of iron ore mining products	PRC	Registered and paid-in capital RMB100,000,000	**100.00%**	100.00%	a
Maogong Mining	Sales of iron ore mining products	PRC	Registered and paid-in capital RMB5,000,000	**100.00%**	100.00%	a
Shangma Mining	Sales of iron ore mining products	PRC	Registered capital RMB60,000,000	**100.00%**	100.00%	a
Fushun Hanking Forest Farm Co., Ltd.* (撫順罕王林場有限公司)	Sales of agricultural and forestry products	PRC	Registered and paid-in capital RMB500,000	**100.00%**	100.00%	a
HGM Resources Pty Ltd	Sales of gold mining products	Australia	Ordinary shares AUD100	**94.00%**	94.00%	
Primary Gold Pty Ltd	Sales of gold mining products	Australia	Ordinary shares AUD27,527,000	**94.00%**	94.00%	
Primary Minerals Pty Ltd	Sales of gold mining products	Australia	Ordinary shares AUD1,563,000	**94.00%**	94.00%	
Watkins Gold	Sales of gold mining products	Australia	Ordinary shares AUD10	**94.00%**	94.00%	
Liaoning Hanking Environmental protection and Technology Co., Ltd* (遼寧罕王環保科技有限公司)	Manufacture and sales of green building materials	PRC	Registered capital RMB70,000,000	**100.00%**	100.00%	a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(CONTINUED)*

39.1 General information of subsidiaries *(continued)*

Details of the Group's subsidiaries as at 31 December 2024 and 2023 are set out below. *(continued)*

Name of subsidiaries	Principal activities	Place of incorporation/ registration and operations	Issued and fully paid up share capital/ registered capital	Proportion of ownership interest and voting power held by the Group 31 December 2024	31 December 2023	Notes
Guangdong Shihetao Green Building Materials Technology. Co., Ltd.* (廣東石和陶綠色建材科技有限公司)	Manufacture and sales of green building materials	PRC	Registered capital RMB10,000,000	**60.00%**	60.00%	a
Shanghai Tuoao	Investment holding	PRC	Registered capital RMB188,100,000	**100.00%**	100.00%	b
Ginseng & Iron	Sales of iron ore mining products and high-purity iron	PRC	Registered capital RMB56,090,000	**100.00%**	100.00%	c
Hanking D.R.I.	Manufacture and sales of high-purity iron	PRC	Registered capital RMB400,000,000	**100.00%**	100.00%	a
Zhenghai Investment Limited	Investment holding	BVI	Ordinary shares USD1	**100.00%**	100.00%	
Chongqing Hanking Xixiwei Building Materials.Co., Ltd.* (重慶罕王西西韋建材有限公司)	Manufacture and sales of green building materials	PRC	Registered capital RMB2,000,000	**70.00%**	70.00%	a
Shandong Hanking Bangkai Green Building Materials Co., Ltd* (山東罕王邦凱綠色建材有限公司)	Manufacture and sales of green building materials	PRC	Registered capital RMB30,000,000	**–**	100.00%	a&d
Fushun Deshan Cuigu Culture Tourism development Co., Ltd.* (撫順德山翠穀文化旅遊開發有限公司)	Travel and accommodation service	PRC	Registered capital RMB500,000	**100.00%**	100.00%	a
Yuqilin Industry Limited	Investment holding	Hong Kong	Ordinary shares HKD1	**100.00%**	100.00%	
Beijing Yuqilin Technology Co., Ltd.* (北京玉麒麟科技有限公司)	Technical development and technical consultation	PRC	Registered capital USD625,000	**100.00%**	100.00%	b
Benxi Yuqilin	Manufacture and sales of high-purity iron	PRC	Registered capital RMB100,000,000	**100.00%**	100.00%	a
Beijing Wanfu Xin 'an	Leasing service	PRC	Registered capital RMB500,000	**100.00%**	100.00%	a
Hainan Hanking Industrial Co., Ltd.* (海南罕王實業有限公司)	Sales of iron ore mining products	PRC	Registered capital RMB10,000,000	**100.00%**	100.00%	a
Cygnet Gold	Sales of gold mining products	Australia	Paid up capital AUD23,712,000	**87.80%**	53.30%	

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(CONTINUED)*

39.1 General information of subsidiaries *(continued)*

Notes:

(a) The companies are limited liability companies.

(b) The companies are wholly owned foreign enterprises.

(c) The company is a foreign invested enterprise.

(d) The company was deregistered by the Group during the year ended 31 December 2024.

The above table lists the subsidiaries of the Company are the Group entities principally affected the results or assets of the Group. In the opinion of the Directors, to give details of other subsidiaries would result in particulars of excessive length.

None of the subsidiaries had issued any debt securities as at the end of the year.

* English name is for identification purpose only.

39.2 Details of non-wholly owned subsidiary that have material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Group that have material non-controlling interests.

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		31/12/2024	31/12/2023	**31/12/2024 RMB'000**	31/12/2023 RMB'000	**31/12/2024 RMB'000**	31/12/2023 RMB'000
Cygnet Gold	Australia	**12.20%**	46.70%	**(39)**	(68)	**6,671**	40,109

On 25 October 2024, Watkins Gold acquired additional 36.7% an equity interest in Cygnet Gold for a consideration of AUD19,380,000 (equivalent to RMB92,311,000) from non-controlling interest. Watkins Gold's direct equity interest in Cygnet Gold at 31 December 2024 is 93.4%. Taking into account the Group's 94% equity interest in Hanking Australia, the Group's equity interest in Cygnet Gold is 87.8% as at 31 December 2024. Accordingly, the non-controlling interest is decreased from 46.70% to 12.20%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(CONTINUED)*

39.2 Details of non-wholly owned subsidiary that have material non-controlling interests *(continued)*

Summarised financial information of Cygnet Gold is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Cygnet Gold

	31/12/2024 RMB'000	31/12/2023 RMB'000
Current assets	**13,320**	25,468
Non-current assets	**96,568**	90,108
Current liabilities	**(3,274)**	(771)
Equity attributable to owners of the Company	**99,943**	74,696
Non-controlling interests of Cygnet Gold	**6,671**	40,109

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Revenue	**–**	–
Expenses	**(112)**	(145)
Loss for the year	**(112)**	(145)
Loss for the year attributable to owners of the Company	**(73)**	(77)
Loss for the year attributable to the non-controlling interests of Cygnet Gold	**(39)**	(68)
Loss for the year	**(112)**	(145)
Total comprehensive expense attributable to owners of the Company	**(73)**	(77)
Total comprehensive expense attributable to the non-controlling interests of Cygnet Gold	**(39)**	(68)
Total comprehensive expense for the year	**(112)**	(145)

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(CONTINUED)*

39.2 Details of non-wholly owned subsidiary that have material non-controlling interests *(continued)*

Cygnet Gold (continued)

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Dividends paid to non-controlling interests of Cygnet Gold	**–**	–
Net cash outflow from operating activities	**(37)**	(1,297)
Net cash outflow from investing activities	**(10,637)**	(87,033)
Net cash inflow from financing activities	**–**	113,370
Net cash (outflow) inflow	**(10,674)**	25,040

40. SHARE-BASED PAYMENTS

The share option scheme of Hanking Australia was adopted on 25 January 2019. The scheme is designed to recognise the contributions of selected key persons (including the employees and directors of Hanking Australia and its related body corporates, and any person who was determined by the board of directors of Hanking Australia to be a key person when issuing or granting the options) to the Company, and provide an incentive for and to motivate them to remain in their employments with the Company.

The scheme mandate limit is 10% of the shares of Hanking Australia in issue on the date the scheme was adopted. The scheme shall be valid and effective for a period of 48 months from the date of adoption. The maximum number of shares of Hanking Australia to be issued upon the exercise of options that may be granted under the scheme is 21,000,000 shares. The scheme has been expired on 25 January 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

40. SHARE-BASED PAYMENTS *(CONTINUED)*

The table below discloses movement of the Hanking Australia's share options held by the Group's employees:

	Options to subscribe for Hanking Australia Shares				
Category and name of grantees	**Outstanding at 1 January 2024**	**Granted during the year**	**Outstanding at 31 December 2024**	**Exercise price per Hanking Australia Share AUD**	**Date of grant**
Director of Hanking Australia					
Dr. Qiu	4,200,000	–	4,200,000	0.2	29 August 2022
Employees of Hanking Australia	2,950,000	–	2,950,000	0.286	27 April 2020
	1,000,000	–	1,000,000	0.3	27 April 2020
	1,800,000	–	1,800,000	0.39	10 December 2020
	1,300,000	–	1,300,000	0.429	6 July 2022
Sub-total	7,050,000	–	7,050,000		
Total	**11,250,000**	**–**	**11,250,000**		

On 27 April 2020, 10 December 2020 and 6 July 2022, Hanking Australia granted 3,950,000, 1,800,000 and 1,300,000 options (the "**Options**") to subscribe for 3,950,000, 1,800,000 and 1,300,000 shares in the share capital of Hanking Australia to certain employees of Hanking Australia. The options have vesting period of 4 years and will vest and become exercisable on the occurrence of certain vesting events. The fair value of the options determined at the date of grant, taking into account the terms and conditions upon which the options were granted. On 29 August 2022, Hanking Australia has conditionally granted to Dr. Qiu a total of 4,200,000 Options to subscribe for an aggregate of 4,200,000 shares. During the year ended 31 December 2024, the Group recognised a share-based payment expense of AUD1,099,000 (equivalent to RMB4,566,000) (2023: AUD531,000 (equivalent to RMB2,656,000)).

On 18 January 2024, the Company extended the vesting period of all share options for two years. On modification of the share option terms, their fair value at that date was estimated. The modification resulted in an increase in the fair value of the options and an additional expense recognised in the profit or loss for the year ended 31 December 2024. The vesting period was extended to enable all participants in the share option plan the opportunities to exercise their options in the event of a vesting event as defined in the share option plan and ensures that key personnel are retained to deliver on the objectives of the Group. No new Share options were issued or granted during the current year.

40. SHARE-BASED PAYMENTS *(CONTINUED)*

The following assumptions were used to calculate the fair value of the Options of each on categories 18 January 2024, the modification date:

Number of Options issued	4,200,000	2,950,000	1,000,000	1,800,000	1,300,000
Value at modification date	AUD1,420,000	AUD744,000	AUD238,000	AUD267,000	AUD142,000
Exercise price	AUD0.2	AUD0.286	AUD0.3	AUD0.39	AUD0.429

Market approach has been adopted by the Group's management to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

41. RESTRICTED SHARES HELD FOR STRATEGIC INCENTIVE AWARD SCHEME

On 29 August 2019, the Board resolved to adopt a restricted share award scheme (the "**Scheme**") whereby awards of ordinary shares (the "**Shares**") of the Company may be made to eligible participants (the "**Selected Participants**"), pursuant to which existing ordinary shares of the Company will be purchased by a trustee from the market out of cash contributed by the Group and be held in trust for the relevant Selected Participants until such Shares are vested with the relevant Selected Participants in accordance with the provisions of the Scheme.

The Scheme shall be effective from 29 August 2019 and shall continue in full force and effect for a term of 10 years or until such date of early termination as determined by the Board, whichever is the earlier, after which period no further award shares shall be granted or accepted, but the provisions of the Scheme shall remain in full force and effect in order to give effect to the vesting of award shares granted and accepted prior to the expiration or termination of the Scheme.

There is no ordinary shares repurchased during the current year.

From May to November 2023, the trustee of the Company's Scheme purchased on the Stock Exchange a total of 8,476,000 ordinary shares at a total consideration of approximately RMB5,518,000 pursuant to the terms of the trust deed under the Scheme.

As at 31 December 2024, no award shares have been granted to any Selected Participants pursuant to the Scheme.

42. RETIREMENT BENEFIT PLANS

The employees of the Group in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The Group is required to contribute a specified percentage of its payroll costs to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

The Group made contributions to the retirement benefit schemes of RMB13,414,000 for the year ended 31 December 2024 (2023: RMB15,391,000).

43. CAPITAL COMMITMENTS

	31/12/2024 RMB'000	31/12/2023 RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment and intangible assets contracted for but not provided in the consolidated financial statements (note)	**41,544**	22,651

Note: The amount mainly represents the agreements signed by Cygnet Gold to acquire a tenement of the mining lease and the right to a mine with the total purchase prices of AUD9,000,000 (equivalent to RMB40,563,000). The acquisitions have been completed in March 2025.

44. PLEDGE OF ASSETS

At the end of the reporting periods, the Group has pledged certain assets as securities for obtaining the bank borrowings and issuing bills. Details of the pledged assets and the corresponding carrying amounts are set out below:

	Carrying amounts	
	31/12/2024 RMB'000	31/12/2023 RMB'000
Pledged bank deposits	**526,156**	644,938
Right-of-use assets	**41,043**	42,177
Property, plant and equipment	**52,250**	54,355
Mining rights	**35,746**	47,889
Receivables at FVTOCI	**106,588**	97,547
Trade receivable	**48,494**	–

45. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes borrowings, amount due to a related party and lease liabilities disclosed in notes 34, 48 and 36, respectively, net of cash and cash equivalents and equity which includes share capital and reserves.

The management of the Group reviews the capital structure on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital and will balance its overall structure through the payment of dividends, issue of capital as well as the issue of new debt or the redemption of existing debt.

46. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	31/12/2024 RMB'000	31/12/2023 RMB'000
Financial assets		
Financial assets at amortised cost (including cash and cash equivalents)	**1,075,691**	1,087,510
Receivables at FVTOCI	**286,076**	394,685
Financial assets at FVTPL	**147**	2,563
	1,361,914	1,484,758
Financial liabilities		
Financial liabilities measured at amortised cost	**1,780,694**	1,835,770

46. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies

The Group's major financial assets and liabilities include restricted deposits, trade and other receivables, amount due from a related party, receivables at FVTOCI, pledged bank deposits, cash and cash equivalents, financial assets at FVTPL, investment deposits, trade, bills and other payables, amount due to a related party, borrowings, lease liabilities and other long-term liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Group's activities expose it primarily to the market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. There has been no change to the Group's exposure to these risks or the manner in which it manages and measures the risks. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk.

Market risk

(i) Currency risk

The Group has bank balances and trade and other payables (2023: bank balances, trade and other receivables and trade and other payables) denominated in USD and HKD, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods are as follows:

	USD	
	Assets	**Liabilities**
	RMB'000	RMB'000
As at 31 December 2024	198,734	–
As at 31 December 2023	1,026	–

	HKD	
	Assets	**Liabilities**
	RMB'000	RMB'000
As at 31 December 2024	2,326	61
As at 31 December 2023	6,563	259

46. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies *(continued)*

Market risk *(continued)*

(i) Currency risk (continued)

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2023: 10%) increase and decrease in RMB against USD and HKD (2023: HKD), 10% (2023: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 10% (2023: 10%) change in foreign currency rate. A positive number below indicates an increase in post-tax profit (2023: an increase in post-tax profit) where USD and HKD (2023: HKD) strengthen 10% (2023: 10%) against RMB. For a 10% (2023: 10%) weakening of USD and HKD (2023: HKD) against RMB, there would be an equal and opposite impact on the post-tax profit (2023: post-tax profit) and the balances below would be negative. For the year ended 31 December 2023, the impact of USD is not presented, since the outstanding monetary items denominated in USD are not significant and their impact is immaterial.

	USD and HKD impact 2024 RMB'000	HKD impact 2023 RMB'000
Profit or loss	**20,100**	630

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

46. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies *(continued)*

Market risk *(continued)*

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk mainly from its pledged bank deposits, lease liabilities, fixed-rate borrowings and amount due from an independent third party. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Total interest income from financial assets that are measured at amortised cost is as follows:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Other income:		
Financial assets at amortised cost	**10,221**	20,970

Interest expense on financial liabilities not measured at FVTPL:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Financial liabilities at amortised cost	**66,075**	68,683

(iii) Other price risk

The Group is exposed to other price risk in respect of its investments in listed equity securities measured at FVTPL (2023: listed equity securities measured at FVTPL).

The fair value adjustment in listed equity securities and unlisted managed investment funds will be affected either positively or negatively, amongst others, by the changes in the expected yield of the investments. No sensitivity analysis of other price risk in respect of listed equity securities and unlisted managed investment fund has been prepared as the management estimates the actual yield would not significantly deviate from the expected yield.

46. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk

Credit risk and impairment assessment

As at 31 December 2024 and 2023, the Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations in relation to each class of recognised financial assets measured at amortised cost and FVTOCI is the carrying amounts of those assets stated in the consolidated statement of financial position.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group's credit risk is primarily attributable to its trade and other receivables, receivables at FVTOCI, pledged bank deposits, restricted deposits, investment deposits, cash and cash equivalents. In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Trade receivables

In order to minimise the credit risk, the Directors have delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

As at 31 December 2024 included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB36,726,000 (2023: RMB12,322,000) which are past due as at the reporting date. Based on the historical settlement pattern, industry practice and the Group's historical actual loss experience, the management of the Group considered that the risk of default became high and defaulted when those debtors had been past due over one year.

During the year ended 31 December 2024, the Group reversed impairment loss of RMB1,131,000 (2023: RMB5,336,000) for trade receivables, based on the individual analysis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

46. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk *(continued)*

Other receivables and receivables at FVTOCI

For other receivables and receivables at FVTOCI, the Group has applied the general approach in IFRS 9 to measure the loss allowance approximate to such at 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The ECL on these items are assessed individually, estimated based on historical credit loss experience on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Restricted deposits, pledged deposits, Investment deposits and bank balances

The restricted deposits, pledged bank deposits, investment deposits and bank balances are determined to have low risk at the end of reporting period. The credit risk on restricted deposits, pledged bank deposits, investment deposits and bank balances is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

46. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk *(continued)*

Restricted deposits, pledged deposits, Investment deposits and bank balances (continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial/ assets/other items
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL - not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date	Lifetime ECL - not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL - not credit-impaired	Lifetime ECL - not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

46. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies *(continued)*

***Credit risk** (continued)*

The following table details the risk profile of the Group's financial assets which are subject to ECL assessment:

As at 31 December 2024

	Internal credit rating				
	Low risk	Watch list	Doubtful	Loss	Total
Total gross carrying amount (RMB'000)					
– trade receivables	**150,374**	**9,252**	**57**	**14,934**	**174,617**
– other receivables	**6,766**	**–**	**700**	**11,496**	**18,962**
– amount due from a related party	**6,047**	**–**	**–**	**–**	**6,047**
– receivables at FVTOCI	**286,076**	**–**	**–**	**–**	**286,076**
– pledged bank deposits	**526,653**	**–**	**–**	**–**	**526,653**
– restricted deposits	**24,061**	**–**	**–**	**–**	**24,061**
– cash and cash equivalents	**358,128**	**–**	**–**	**–**	**358,128**
	1,358,105	**9,252**	**757**	**26,430**	**1,394,544**

As at 31 December 2023

	Internal credit rating				
	Low risk	Watch list	Doubtful	Loss	Total
Total gross carrying amount (RMB'000)					
– trade receivables	79,506	9,816	172	17,104	106,598
– other receivables	8,611	35,963	196	8,163	52,933
– amount due from a related party	6,047	–	–	–	6,047
– receivables at FVTOCI	394,685	–	–	–	394,685
– pledged bank deposits	645,435	–	–	–	645,435
– restricted deposits	37,347	–	–	–	37,347
– cash and cash equivalents	270,258	–	–	–	270,258
– investment deposits	7,000	–	–	–	7,000
	1,448,889	45,779	368	25,267	1,520,303

46. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk *(continued)*

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The Group has concentration of credit risk in relation to its trade receivables as follows:

	As at 31/12/2024	As at 31/12/2023
Amount due from the largest debtor as a percentage to trade receivables	**48.51%**	23.40%
Total amounts due from the five largest debtors as a percentage to trade receivables	**83.07%**	73.80%

The Group keeps exploring new customers to diversify and strengthen its customer base to reduce the concentration of credit risk.

The Group managed its concentration of credit risk so as to spread over to various customers. In order to minimise the credit risk, the Directors continuously monitor the level of exposure to ensure that follow-up actions and/or corrective actions are taken promptly to lower exposure or even to recover the overdue debts.

The Group has concentration of credit risk on liquid funds which are deposited with several banks. However, the credit risk on bank balances is limited because the majority of the counterparties are banks with good reputation and/or good credit rating.

Other than the above, the Group does not have significant concentration of credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

46. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Financial risk management objectives and policies *(continued)*

Liquidity risk

The Directors have built an appropriate liquidity risk management framework for the management of the Group's short-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by closely and continuously monitoring the Group's consolidated financial position. The Directors maintain the sufficiency of cash flows with availability of unutilised banking facilities and internally generated funds. The Directors also review the forecasted cash flows on an on-going basis to ensure that the Group will be able to meet its financial obligations falling due and have sufficient capital for operation and expansion. Maturity of financial obligations will be re-negotiated with banks and changes on capital expansion plan will be made should the need arise.

The following tables detail the remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows, include both principal and interest, on non-derivative financial liabilities based on the earliest date in which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

Liquidity tables

	Weighted average interest rate %	On demand or less than 3 months RMB'000	3 months to 1 year RMB'000	1 year to 2 years RMB'000	>2 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
As at 31 December 2024							
Trade and other payables	**–**	**281,113**	**–**	**–**	**–**	**281,113**	**281,113**
Bills payables	**–**	**431,200**	**163,378**	**–**	**–**	**594,578**	**594,578**
Borrowings - fixed rate	**5.64**	**274,566**	**643,744**	**–**	**–**	**918,310**	**895,857**
Amount due to a related party	**–**	**6,950**	**–**	**–**	**–**	**6,950**	**6,950**
Lease liabilities	**4.04**	**764**	**1,465**	**–**	**–**	**2,229**	**2,196**
		994,593	**808,587**	**–**	**–**	**1,803,180**	**1,780,694**
As at 31 December 2023							
Trade and other payables	–	341,256	–	–	–	341,256	341,256
Bills payables	–	606,750	86,000	–	–	692,750	692,750
Borrowings - fixed rate	6.28	223,552	528,139	55,695	–	807,386	783,621
Amount due to a related party	–	2,742	–	–	–	2,742	2,742
Lease liabilities	4.05	677	2,666	2,269	–	5,612	5,401
Other long-term liabilities	–	–	–	10,000	–	10,000	10,000
		1,174,977	616,805	67,964	–	1,859,746	1,835,770

46. FINANCIAL INSTRUMENTS *(CONTINUED)*

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The following financial assets of the Group are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	31/12/2024	31/12/2023			
Listed equity investments classified as financial assets at FVTPL	**Listed equity securities in Australia: RMB147,000**	Listed equity securities in Australia: RMB2,563,000	Level 1	Quoted bid prices in an active market.	N/A
Receivables at FVTOCI	**Receivables at FVTOCI in the PRC: RMB286,076,000**	Receivables at FVTOCI in the PRC: RMB394,685,000	Level 2	Discounted cash flow method was used to capture the present value of the cash flows to be derived from the receivables using the discount rate that reflected the credit risk of the corresponding banks which are observable.	N/A

There was no transfer between Level 1 and 2 during the current year.

46. FINANCIAL INSTRUMENTS *(CONTINUED)*

(c) Fair value measurements of financial instruments *(continued)*

***Fair value of the Group's financial assets that are measured at fair value on a recurring basis** (continued)*

Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis

The Directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair value.

The fair values of these financial assets and financial liabilities at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

47. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings Note 34 RMB'000	Dividend payable Note 32 RMB'000	Interest payable Note 32 RMB'000	Amount due to a related party Note 48 RMB'000	Lease liabilities Note 36 RMB'000	Amount due to third parties Note 32 RMB'000	Bills payables Note 32 RMB'000	Total RMB'000
At 1 January 2023	(598,400)	(5,476)	(298)	(63,438)	(9,775)	(32,500)	(770,000)	(1,479,887)
Financing cash (inflow) outflow	(219,805)	38,610	68,397	60,696	3,994	32,500	77,250	61,642
Non-cash changes:								
Interests expenses	–	–	(68,385)	–	(298)	–	–	(68,683)
Maturity of bills discounted	34,584	–	–	–	–	–	–	34,584
Dividend declared	–	(35,307)	–	–	–	–	–	(35,307)
Termination of a lease	–	–	–	–	678	–	–	678
At 31 December 2023	(783,621)	(2,173)	(286)	(2,742)	(5,401)	–	(692,750)	(1,486,973)
Financing cash (inflow) outflow	**(210,457)**	**69,695**	**65,429**	**(4,208)**	**3,381**	**–**	**98,172**	**22,012**
Non-cash changes:								
Interests expenses	**–**	**–**	**(65,899)**	**–**	**(176)**	**–**	**–**	**(66,075)**
Maturity of bills discounted	**98,221**	**–**	**–**	**–**	**–**	**–**	**–**	**98,221**
Dividend declared	**–**	**(70,206)**	**–**	**–**	**–**	**–**	**–**	**(70,206)**
At 31 December 2024	**(895,857)**	**(2,684)**	**(756)**	**(6,950)**	**(2,196)**	**–**	**(594,578)**	**(1,503,021)**

48. RELATED PARTY TRANSACTIONS

(a) Related party transactions

During the year, save as disclosed elsewhere in the consolidated financial statements, the Group had the following related party transactions:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Interest expense on lease liabilities:		
Shenyang Shengtai Property Management Co., Ltd.* (瀋陽盛泰物業管理有限公司) ("**Shenyang Shengtai**") (note a)	**110**	186
Property fee:		
Shenyang Shengtai	**952**	952
Service income:		
Fushun Majuncheng (note c)	**2,367**	–
Other income:		
Fushun Majuncheng	**142**	–
Rental income:		
Beijing Heyan Yue'se Medical Beauty Clinic Co., Ltd.* (北京和顏悅色醫療美容診所有限公司) ("**Beijing Heyan**") (note d)	**1,200**	1,200
Guaranteed fee paid to:		
Tuochuan Capital Limited (notes a and e)	**2,340**	2,444
Share-based payment transaction granted to:		
Dr.Qiu	**2,504**	1,473

(b) Trade receivables

	31 December 2024 RMB'000	31 December 2023 RMB'000
Fushun Majuncheng	**2,675**	–

* English name is for identification purpose only.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

48. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(c) Other receivables

	31 December 2024 RMB'000	31 December 2023 RMB'000
Fushun Majuncheng	**150**	–

(d) Lease liabilities

	31 December 2024 RMB'000	31 December 2023 RMB'000
Shenyang Shengtai	**1,471**	3,249

(e) Amount due to a related party

	31 December 2024 RMB'000	31 December 2023 RMB'000
Huaren Shengze (note a)	**6,950**	2,742

(f) Amount due from a related party

	31 December 2024 RMB'000	31 December 2023 RMB'000
Best Fate Limited ("**Best Fate**") (note b)	**6,047**	6,047

48. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(f) Amount due from a related party *(continued)*

Notes:

(a) Shenyang Shengtai, Tuochuan Capital Limited and Huaren Shengze are controlled by Mr. Yang Jiye, one of the Controlling Shareholders of the Company. The amount due to Huaren Shengze is unsecured, interest-free and payable on demand.

(b) On 17 December 2018, the Company entered into an agreement with Best Fate, pursuant to which the Company agreed to transfer 3% shares of Hanking Australia to Best Fate at the consideration of AUD1,260,000 (equivalent to approximately RMB5,619,000), bear interest rate of 5.6% per annum. The beneficial owners of Best Fate are the executive directors of the Company and/or directors of Hanking Australia. A supplementary agreement was signed to extend the term of payment for another three years commencing from 1 January 2022. The maximum balance outstanding during the year is RMB6,047,000.

(c) Fushun Majuncheng is controlled by Ms. Yang Min, one of the Controlling Shareholders of the Company.

(d) Mr. Yang Jiye, one of the Controlling Shareholders of the Company, has significant influence over Beijing Heyan.

(e) Borrowings guaranteed by related parties were disclosed in note 34.

(f) The remuneration of key management personnel which represents the executive Directors and key executives of the Group during the year was as follows:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Retirement benefit scheme contributions	**1,454**	1,062
Salaries, allowances and benefits in kind	**10,240**	9,467
Bonus	**3,241**	1,836
Equity settled share-based expense	**2,504**	1,473
	17,439	13,838

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2024

49. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	31/12/2024 RMB'000	31/12/2023 RMB'000
Non-current Assets		
Interests in subsidiaries	**2,663,354**	2,480,956
Investment in an associate	**7,699**	7,384
	2,671,053	2,488,340
Current Assets		
Other receivables	**6,047**	6,047
Cash and cash equivalents	**204,455**	7,172
	210,502	13,219
Current Liabilities		
Amounts due to subsidiaries	**2,672,433**	2,271,613
Tax liability	**33,865**	26,605
	2,706,298	2,298,218
Net Current Liabilities	**(2,495,796)**	(2,284,999)
Total Assets less Current Liabilities	**175,257**	203,341
Capital and Reserves		
Share capital (note 38)	**160,203**	160,203
Reserves	**15,054**	43,138
Total equity	**175,257**	203,341
	175,257	203,341

49. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(CONTINUED)*

Movement in the Company's reserves

	Restricted shares held for the Scheme RMB'000	Share premium RMB'000	Special reserve (Note) RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2023	(38,814)	51,433	(48,744)	–	(36,125)
Profit and total comprehensive income for the year	–	–	–	120,088	120,088
Dividend paid	–	–	–	(35,307)	(35,307)
Purchase of ordinary shares pursuant to the Scheme	(5,518)	–	–	–	(5,518)
At 31 December 2023	(44,332)	51,433	(48,744)	84,781	43,138
Profit and total comprehensive income for the year	**–**	**–**	**–**	**42,122**	**42,122**
Dividend paid	**–**	**–**	**–**	**(70,206)**	**(70,206)**
At 31 December 2024	**(44,332)**	**51,433**	**(48,744)**	**56,697**	**15,054**

Note: Special reserve mainly represented the distribution to the then equity shareholders at the time when the Company undergone business combination involving entities under common control in 2013 and the deemed capital contribution arising from the gain on disposal in respect of Hanking (Indonesia).

50. MAJOR NON-CASH TRANSACTION

During the year, short-term borrowings drawn on discounted bills with recourse of RMB98,221,000 (2023: RMB34,584,000) have been settled through bills discounted to the relevant financial institutions.

51. EVENT AFTER THE REPORTING PERIOD

Save as disclosed in the report, there were no other significant events taken place subsequent to the end of the year ended 31 December 2024.

DEFINITIONS

"Aoniu Mine"	located at Hou'an Town, Fushun City, an iron mine operated through Aoniu Mining, a subsidiary of the Company
"Aoniu Mining"	Fushun Hanking Aoniu Mining Co., Ltd. (撫順罕王傲牛礦業股份有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
"Articles of Association"	the articles of association approved by the Company at the general meeting held on 24 May 2023,with effect from the same day and as amended from time to time
"AUD"	the lawful currency of Australia
"Audit Committee"	the audit committee of the Board
"Australia"	The Commonwealth of Australia
"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China. For the purpose of this report only, references in this report to the PRC or China do not include Hong Kong, Macau Special Administrative Region and Taiwan
"Companies Ordinance"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
"the Company" or "our Company" or "we"	China Hanking Holdings Limited
"Controlling Shareholders"	has the meaning ascribed to it in the Listing Rules and unless the context requires otherwise, refers to Ms. Yang Min, Mr. Yang Jiye, China Hanking (BVI) Limited, Bisney Success Limited and Tuochuan Capital Limited
"Directors"	the directors of the Company
"EBITDA"	the abbreviation of earnings before interest, taxes, depreciation and amortization
"the Group" or "Hanking" or "China Hanking"	China Hanking Holdings Limited and its subsidiaries
"Hanking Australia"	Hanking Australia Investment Pty Ltd, a limited liability company established in Australia and a non wholly-owned subsidiary of the Company
"Hanking D.R.I."	Fushun Hanking D.R.I. Co., Ltd. (撫順罕王直接還原鐵有限公司), a limited liability company established in the PRC, which became a subsidiary of the Company in June 2019

"Hanking Environmental Protection Technology"	Liaoning Hanking Environmental Protection Technology Co., Ltd. (遼寧罕王環保科技有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
"Hanking Group"	Hanking Group Co., Limited (罕王實業集團有限公司), a limited liability company established in the PRC on 4 April 1996, whose shares are held by Ms. Yang Min (88.96%) and other individuals. Hanking Group is a holding company controlled by a Controlling Shareholder
"HSEC Committee"	the health, safety, environmental protection and community committee of the Board
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Indicated Resource"	an indicated resource is one which has been sampled by drill holes or other sampling procedures at locations too widely spaced to ensure continuity, but close enough to give a reasonable indication of continuity and where geoscientific data are known with a reasonable level of reliability
"Inferred Resource"	an inferred resource is one where geoscientific evidence from drill holes or other sampling procedures is such that continuity cannot be predicted with confidence and where geoscientific information may not be known with a reasonable level of reliability
"JORC"	Australasian Joint Ore Reserves Committee
"JORC Code"	JORC Code, 2012 Edition
"Latest Practicable Date"	8 April 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this annual report prior to its publication
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Maogong Mine"	located at Shiwen Town, Fushun City, an iron mine operated through Maogong branch of Aoniu Mining
"Maogong Mining"	Fushun Hanking Maogong Mining Co., Ltd. (撫順罕王毛公鐵礦有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company

DEFINITIONS

"Nomination Committee"	the nomination committee of the Board
"Measured Resource"	a measured resource is one which the geologic feature, shape of the ore,occurrence, scale, ore quality, grade, as well as the mining technology condition and the continuity of the ore body have been ascertained according to the accuracy of prospecting in the mining area, the data that mineral deposit depended on is elaborate enough; and the one has high reliability
"Prospectus"	the prospectus of the Company dated 20 September 2011
"Remuneration Committee"	the remuneration committee of the Board
"RMB"	Renminbi Yuan, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time)
"Shangma Mine"	located at Shangma Town, Fushun City, an iron mine operated through Shangma branch of Aoniu Mining
"Shangma Mining"	Fushun Hanking Shangma Mining Co., Ltd. (撫順罕王上馬礦業有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
"Share(s)"	ordinary share(s) with a nominal value of HKD0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"US$" or "USD" or "US dollars"	United States dollars, the lawful currency of the United States