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

2025

INTERIM REPORT

CORE VALUE

People-first and
Business Integrity

PRINCIPLE

Safety,
Harmony and Green

CONTENTS

CORPORATE INFORMATION

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).

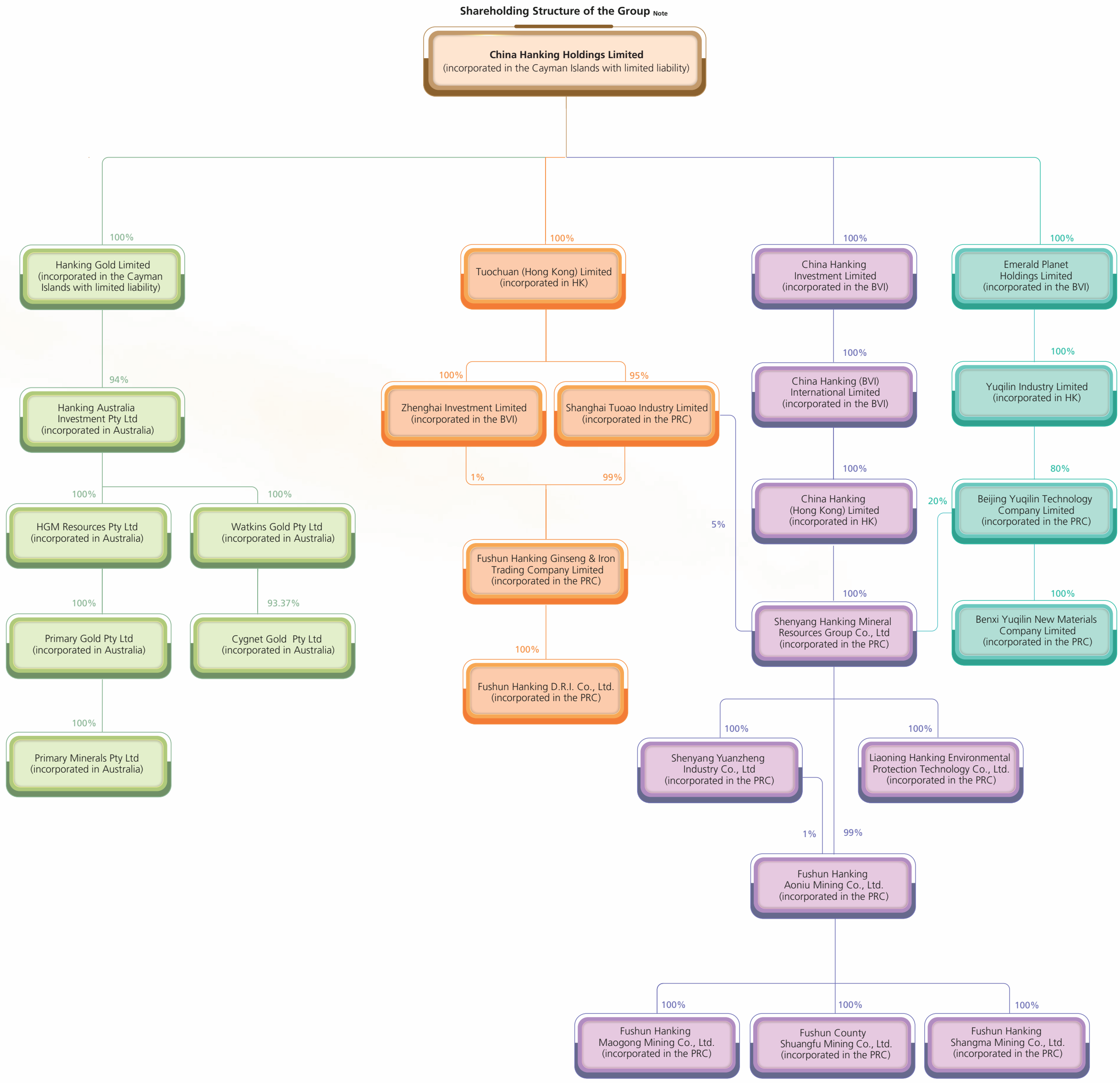
The Group upholds the core value of "people-first and business integrity", adheres to the principles of "safety, harmony and green", and strives to perform the enterprises' social responsibilities.

- ## 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 of the Company, in an effort to create maximum value for the Shareholders.



Note: This shareholding structure chart only sets out the principal subsidiaries of the Group as at 30 June 2025.

CORPORATE INFORMATION
(CONTINUED)

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

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AUTHORIZED REPRESENTATIVES

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Ms. Wong Hoi Ting

JOINT COMPANY SECRETARIES

Ms. Zhang Jing
Ms. Wong Hoi Ting

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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)*
Ms. Zhang Jing
Dr. Wang Anjian
Mr. Wang Ping
Mr. Zhao Bingwen

HEALTH, SAFETY, ENVIRONMENTAL PROTECTION AND COMMUNITY COMMITTEE

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

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2025	2024	Change
Revenue (RMB thousand)	**1,405,188**	1,268,564	10.77%
Profit for the period attributable to owners of the Company (RMB thousand)	**104,318**	107,467	(2.93%)
Earnings per share (RMB cent)	**5.4**	5.6	(3.57%)
Interim dividend (HKD per share)	–	0.02	N/A
Net margin	**7.44%**	8.41%	Down 0.97 percentage point
Return on net assets	**7.01%**	7.19%	Down 0.18 percentage point

MANAGEMENT DISCUSSION AND ANALYSIS

I. OPERATION REVIEW

1. Proposed spin-off and separate listing of Hanking Gold on the main board of the Stock Exchange

In order to build an independent capital platform for the gold business of the Company and promote the faster development of such business, and at the same time enhance the value of the Shares held by the Shareholders, the Company proposes to spin-off and separately list Hanking Gold on the main board of the Stock Exchange by way of introduction. Hanking Gold is the designated entity holding the Company's gold assets in Australia and owns Mt Bundy Gold Project and Cygnet Gold Project. Leveraging these two projects, the Company plans to build Hanking Gold into a medium-sized gold production enterprise with international influence. The pre-feasibility study (PFS) of Cygnet Gold Project is nearing completion. The Company will make further announcement(s) as and when appropriate upon completion of the aforesaid PFS.

2. Production and operation were stable, and profits declined slightly during the period

In the first half of 2025, the production and operation of the Company remained stable, and the production and sales volume of iron ore concentrate and high-purity iron were higher than those of the corresponding period of last year and the budgets of the current period. However, affected by the overall market conditions, average selling prices per metric ton of product were lower than those of corresponding period of last year. As a result, the revenue of the Company in the first half of 2025 was RMB1,405,188,000, representing a year-on-year increase of 10.77%; the profit for the period was RMB104,537,000, down by 1.99% year-on-year.

3. High-purity iron business returned to profitability

Faced by intense domestic competition and an overall price downturn in the high-purity iron market, the Company's high-purity iron business, in line with its set strategic objectives, has enhanced its management level throughout the whole process of procurement, production and sales, etc., and steadily advanced all concrete tasks. In the first half of 2025, it turned losses into profit, recording a profit before tax of RMB14,956,000 (the corresponding period of last year: loss before tax of RMB35,503,000).

4. The new resources of 79.76 million metric tons in Shangma Mine were included within the mining license scope

Shangma Mine, which is wholly-owned by the Company, received a renewed mining license, with its mining area expanded from 6.7224 square kilometers to 10.9753 square kilometers. Additionally, approximately 79.76 million metric tons of newly explored iron ore resources, previously identified under the exploration license through the Company's self-conducted exploration, have been included in the renewed mining license. With total iron ore resources reaching approximately 110 million metric tons, Shangma Mine now qualifies as a "Large-scale Iron Ore Mine". Renewal of the mining license has further expanded the Group's minable reserves and strengthened the foundation for the sustainable development of the Group's iron ore business in the future.

II. IRON ORE BUSINESS

1. Industry situation

In the first half of 2025, the iron ore price rose and then fell. According to the data of Mysteel.com, as of 30 June 2025, the port spot price index for 62% iron ore stood at US$92.39/metric ton, representing a decrease of 9.07% as compared with the beginning of the year. At the beginning of the year, affected by hurricane weather, shipments from overseas mines fell short of expectations, while profit margins of steel mills on the demand side were relatively considerable, and the price of iron ore once rebounded. Subsequently, as the weather factor gradually alleviated, the supply side was restored to the level of the same periods in previous years and the molten iron on the demand side showed a continuous trend of resumption of production, thus both supply and demand increased. However, due to the accumulated inventory of iron ore, coupled with expected impact of the tariff game between China and the United States and the crude steel reduction policy, the price of iron ore fell. Looking forward to the second half of 2025, as the shipment from overseas mines is expected to maintain stable growth, with domestic crude steel regulation, the seasonal decline in molten iron output, and that sufficient supply and falling demand are expected to enhance, the price of iron ore may continue to fluctuate with weak growth.

2. Operation status

In the first half of 2025, leveraging the smart mine system, the Company implemented refined management in its iron ore operations, enhancing management efficiency through digitalization. Building on years of industry experience, the Company organized production in a scientific and well-organized manner, thereby achieving an iron ore concentrate output of 518,000 metric tons which exceeded the budget by 59,000 metric tons, representing a year-on-year increase of 1.57%; and sales volume of 521,000 metric tons, representing a year-on-year increase of 2.36%.

In the first half of 2025, the average selling price of the Group's iron ore concentrate was RMB856/metric ton, representing a year-on-year decrease of 15.50%. Depreciation and amortization of a single metric ton decreased due to the year-on-year increase in output and the reassessment of some asset useful lives under the Maogong Mine expansion project, resulting in a year-on-year decrease of 9.60% in average cost of sales to RMB339/metric ton. As a result of the effect of the decrease in both the average selling price of iron ore concentrate and average cost of sales, the iron ore business recorded a gross profit of RMB271,398,000, representing a year-on-year decrease of 16.39%; the gross margin was 60.58%, representing a year-on-year decrease of 2.40 percentage points.

Operation breakdown of the iron ore business

	For the six months ended 30 June		
	2025	2024	Change
Output (thousand metric tons)	**518**	510	1.57%
Sales volume (thousand metric tons)	**521**	509	2.36%
Average selling price (RMB per metric ton)	**856**	1,013	(15.50%)
Average cost of sales (RMB per metric ton)	**339**	375	(9.60%)
Revenue (RMB thousand)	**447,978**	515,444	(13.09%)
Gross profit (RMB thousand)	**271,398**	324,607	(16.39%)
Gross margin	**60.58%**	62.98%	Down by 2.40 percentage points

In the first half year of 2025, the cash operating cost of a single metric ton of iron ore concentrate increased due to professional fees for the Maogong Mine expansion project and higher excavation volume compared to the corresponding period of last year. However, by strengthening the management and control over mineral processing costs, extending the service life cycle of and reducing the consumption of spare parts, the cash operating cost of a single metric ton of iron ore concentrate amounted to RMB348, only representing a year-on-year increase of RMB9 or 2.65%, and a decrease by RMB6 or 1.69% compared to the cash operating cost of a single metric ton in 2024.

Breakdown of cash operating costs of the iron ore business Note 1

	For the six months ended 30 June		
	2025 (RMB/metric ton of iron ore concentrate)	2024 (RMB/metric ton of iron ore concentrate)	Change
Mining	**174**	160	8.75%
Processing	**73**	80	(8.75%)
Transportation Note 2	**22**	13	69.23%
Tax Note 3	**51**	61	(16.39%)
Mine management Note 4	**28**	25	12.00%
Total	**348**	339	2.65%

Notes:

1. Cash operating costs refer to the cash payments of production costs, taxes and surcharges, distribution and selling expenses as well as administrative expenses.
2. Transportation cost of a single metric ton increased due to the rising charges by third-party logistics and sales volume variations across customer segments.
3. Taxes of a single metric ton decreased as a result of lower selling prices of a single metric ton of iron ore concentrate.
4. Management cost of a single metric ton rose primarily attributable to increased professional fees for the Maogong Mine expansion project and the reimbursement for the relocation under the tailings dam of Maogong Mine.

3. Resources and reserves

The Company is committed to exploring within and around its existing mining areas to secure high-quality resources at lower cost. During the first half of 2025, new iron ore resources were discovered in the existing open pit of Maogong Mine. Drilling commenced immediately, achieving a total advance of 679.5 meters. A reserves verification report had been compiled and submitted accordingly, with an estimated additional resource of approximately 3.39 million metric tons. These newly added resources were obtained at low cost, readily minable and easy to process, which would extend the mine life of Maogong Mine while further enhancing its economic returns.

Shangma Mine, which is wholly-owned by the Company, received a renewed mining license, with its mining area expanded from 6.7224 square kilometers to 10.9753 square kilometers. Additionally, approximately 79.76 million metric tons of newly explored iron ore resources, previously identified under the exploration license through the Company's self-conducted exploration, have been included in the renewed mining license. With total iron ore resources reaching approximately 110 million metric tons, Shangma Mine now qualifies as a "Large-scale Iron Ore Mine". Renewal of the mining license has further expanded the Group's minable reserves and strengthened the foundation for the sustainable development of the Group's iron ore business in the future. Details are set out in the Company's announcement dated 30 July 2025.

As of the end of June 2025, there was no material change of the Group's total iron ore resources and reserves as compared to the end of 2024.

III. HIGH-PURITY IRON BUSINESS

1. Industry situation

According to statistics from the National Energy Administration, China's cumulative installed wind power capacity reached 570 million kilowatts in the first half of 2025, representing a year-on-year increase of 22.7%; newly installed wind power capacity surged to 51.39 million kilowatts, up by 98.9% year-on-year, with onshore wind power dominating the market and offshore wind power experiencing particularly rapid growth. The China Electricity Council projected in its "2025 Mid-Year Report on National Electricity Supply and Demand Analysis & Forecast (《二零二五年上半年全國電力供需形勢分析預測報告》)" that China's annual newly installed wind power capacity for 2025 is expected to reach around 100 million kilowatts, with year-end cumulative capacity projected to hit 640 million kilowatts. With favorable policy trends driving the wind power development, a new wave of installations is anticipated from the second half of 2025 to next year, which is expected to boost both demand and prices for wind power components.

2. Operation status

Return to profitability

Faced with intense domestic competition and an overall price downturn in the high-purity iron market, the Company's high-purity iron business, in line with its set strategic objectives, has enhanced management level throughout the whole process of procurement, production and sales, etc., and steadily advanced all concrete tasks. In the first half of 2025, it turned losses into profit, recording a profit before tax of RMB14,956,000 (the corresponding period of last year: loss before tax of RMB35,503,000).

Consistent and stable production remains the priority and cornerstone for high-purity iron business. In the first half of 2025, the Company's high-purity iron production reached 471,000 metric tons, representing a 15.44% year-on-year increase; sales volume reached 473,000 metric tons, representing a 21.59% year-on-year increase. Notably, the sales of wind power ductile cast iron accounted for approximately 93% of total sales. The average selling price was RMB2,685/metric ton, down by 14.24% year-on-year. On the procurement side, while maintaining stable quality from key raw material suppliers, the Company proactively expanded its supplier base and adjusted its raw material formula by increasing the proportion of dry-quenched coke and carbon additives to lower the cost of raw materials. The average cost of sales achieved RMB2,494/metric ton, representing an 18.26% year-on-year decrease. Gross profit was RMB92,792,000, representing a 200.64% year-on-year increase.

Operation breakdown of high-purity iron business

	For the six months ended 30 June		
	2025	2024	Change
Output (thousand metric tons)	**471**	408	15.44%
Sales volume (thousand metric tons)	**473**	389	21.59%
Average selling price (RMB per metric ton)	**2,685**	3,131	(14.24%)
Average cost of sales (RMB per metric ton)	**2,494**	3,051	(18.26%)
Revenue (RMB thousand)	**1,272,118**	1,216,935	4.53%
Gross profit (RMB thousand)	**92,792**	30,865	200.64%
Gross margin	**7.29%**	2.54%	Up by 4.75 percentage points

IV. GOLD BUSINESS IN AUSTRALIA

1. Industry situation

In the first half of 2025, escalating regional conflicts worldwide and fluctuating trade policies among major economies fueled safe-haven demand, driving a significant rally in global gold prices. As of 30 June 2025, the London gold spot fixing price reached US$3,287.45/ounce, marking a 24.31% increase from the beginning of the year. The World Gold Council's "2025 Central Bank Gold Reserves Survey (《二零二五年全球央行黃金儲備調查》)" released in June 2025 revealed that approximately 95% of respondent central banks believe global central banks will continue increasing their gold holdings over the next twelve months, with nearly 43% planning to boost their own gold reserves in the next year. Combined with persistent market safe-haven demand, these factors are expected to provide long-term support for gold prices.

2. Operation status

Proposed spin-off and the listing

In order to build an independent capital platform for the gold business of the Company and promote the faster development of such business, and at the same time enhance the value of the Shares held by the Shareholders, the Company proposes to spin-off and separately list Hanking Gold on the main board of the Stock Exchange by way of introduction. Upon the completion of the proposed spin-off and the listing, Hanking Gold will cease to be a subsidiary of the Company, resulting in a parallel listing structure of the Company and Hanking Gold. The eligible Shareholders of the Company will be entitled to the shares in both the Company and Hanking Gold.

The Company submitted an application to the Stock Exchange in late July 2025 regarding the proposed spin-off and the listing for review and approval. Shareholders and other investors of the Company are reminded that there is no assurance that the listing committee of the Stock Exchange will approve the proposed spin-off and the listing. The Company will make further announcement(s) in relation to the proposed spin-off as and when appropriate.

Hanking Gold, through its wholly-owned subsidiary, Hanking Australia, currently owns the Mt Bundy Gold Project in Australia's Northern Territory and the Cygnet Gold Project in Western Australia. Leveraging these two projects, the Company plans to build Hanking Gold into a medium-sized gold production enterprise with international influence.

Mt Bundy Gold Project

The Mt Bundy Gold Project 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 has been completed, confirming it as a robust, high-production and 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. Listed as a "major project" receiving priority support from the Australia's Northern Territory Government, the project has secured key approvals required for mine construction and gold production, including mining licenses, indigenous rights and interests, permits and environmental impact assessment approvals.

On 1 July 2024, the Company entered into a share sale agreement with a purchaser in relation to the Company's disposal of Mt Bundy Gold Project. As of 1 July 2025 (the sunset date stipulated in the share sale agreement), the purchaser failed to satisfy certain conditions precedent. Consequently, on 2 July 2025, the Company exercised its right to immediately terminate the share sale agreement by giving a termination notice to the purchaser. As a result, the completion of the transaction contemplated under the share sale agreement would not proceed.

Cygnet Gold Project

The Cygnet Gold Project has approximately 2,060,000 ounces of JORC Code gold resources at an average grade of 2.6 gram/metric ton. As an important part of the project's feasibility study, independent technical experts engaged by the Company are currently conducting JORC Code gold reserve estimation, while mine construction, design and approval for the processing plant and tailings pond are progressing actively. The Company targets to finalize the feasibility study and submit it to the government for review and approval in the second half of this year, commence construction in the second quarter of 2026, and achieve commercial production by the end of 2027, transitioning into an operating gold producer.

During the first half of 2025, the Group's gold business remained in pre-production preparation, with no sales recorded. For the six months ended 30 June 2025, the capital expenditure of the gold business was RMB66,021,000 (in the first half of 2024: RMB16,318,000), which was mainly used for mineral rights acquisition and gold exploration expenditures, etc..

3. Resources and reserves

In the first half of 2025, there was no material change of the Group's gold resources and reserves as compared to the end of 2024.

On 22 July 2025, following the successful completion of drilling programs and the progress made in the feasibility studies at the Cygnet Gold Project, the JORC Code resources of Cygnet Gold Project have increased by 20% to 2.06 million ounces and the Group's total gold resources now stand at 5.07 million ounces. Details are set out in the Company's announcement dated 22 July 2025.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed above, as of 30 June 2025, 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.

FINANCIAL REVIEW

1. Revenue, Cost of Sales, Gross Profit

In the first half of 2025, the revenue of the Group was RMB1,405,188,000, representing an increase of RMB136,624,000 or 10.77% as compared to the corresponding period of last year. The increase was mainly attributable to 1) the sales volume of high-purity iron for the period increased by 84,000 metric tons as compared to the corresponding period of last year and the sales price of high-purity iron for the period decreased by RMB446/metric ton as compared to the corresponding period of last year, which resulted in an increase in revenue by RMB72,887,000; and 2) the external sales volume of iron concentrate for the period increased by 95,000 metric tons as compared to the corresponding period of last year and the sales price of iron concentrate for the period decreased by RMB157/metric ton as compared to the corresponding period of last year, which resulted in an increase in revenue by RMB79,354,000.

In the first half of 2025, the cost of sales incurred by the Group amounted to RMB1,044,411,000, representing an increase of RMB122,821,000 or 13.33% as compared to the corresponding period of last year, mainly attributable to: 1) the combined effect of an increase in sales volume of high-purity iron for the period by 84,000 metric tons as compared to the corresponding period of last year and a decrease in unit cost for the period by RMB557/metric ton as compared to the corresponding period of last year; and 2) the combined effect of an increase in external sales volume of iron ore concentrate for the period by 95,000 metric tons as compared to the corresponding period of last year and a decrease in unit cost of iron ore concentrate by RMB36/metric ton as compared to the corresponding period of last year.

In the first half of 2025, the gross profit of the Group was RMB360,777,000, representing an increase of RMB13,803,000 or 3.98% over the corresponding period of last year. As compared to the corresponding period of last year, the gross margin of the Group decreased from 27.35% to 25.67% during the first half of 2025.

Analysis on the revenue by major products

	For the six months ended 30 June 2025 RMB'000				For the six months ended 30 June 2024 RMB'000			
	Iron Ore Business	High–purity Iron Business	Others	Total	Iron Ore Business	High–purity Iron Business	Others	Total
Iron Ore Concentrates	**131,957**	**–**	**–**	**131,957**	52,603	–	–	52,603
High-purity Iron	**–**	**1,269,405**	**–**	**1,269,405**	–	1,196,518	–	1,196,518
Others	**2,081**	**1,568**	**177**	**3,826**	488	17,773	1,182	19,443
Total	**134,038**	**1,270,973**	**177**	**1,405,188**	53,091	1,214,291	1,182	1,268,564

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

In the first half of 2025, the other income of the Group was RMB5,077,000, representing a decrease of RMB510,000 or 9.13% as compared to the corresponding period of last year. Other income mainly represented interest income.

In the first half of 2025, the other expense of the Group was RMB409,000. Other expense mainly represented donation expenditure.

In the first half of 2025, the other gains or losses of the Group were a gain of RMB5,242,000, representing an increase of RMB8,590,000 or 256.57% as compared to the loss in the corresponding period of last year, mainly attributable to the Group's provision for impairment of interests in associates of RMB5,976,000 in the corresponding period of last year. Other gains or losses mainly consisted of the impairment loss of assets, foreign exchange gains or 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..

In the first half of 2025, the impairment loss under the Group's expected credit loss model was RMB5,964,000, representing an increase of RMB11,406,000 or 209.59% as compared to the reversal of loss in the corresponding period of last year. The Group has, upon more due consideration, made provision for an impairment loss on financial assets such as 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.

3. Distribution and Selling Expenses, Administrative Expenses

In the first half of 2025, the distribution and selling expenses of the Group were RMB50,701,000, representing an increase of RMB9,954,000 or 24.43% as compared to the corresponding period of last year, which was mainly due to the increase in sales volume of high-purity iron of 84,000 metric tons and the increase in sales volume of iron ore concentrate by 12,000 metric tons, both as compared to the corresponding period of last year. Selling and distribution expenses consisted of transportation expenses, labour expenses and others.

In the first half of 2025, the administrative expenses of the Group were RMB101,450,000, representing an increase of RMB349,000 or 0.35% as compared to the corresponding period of 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

In the first half of 2025, the finance costs of the Group amounted to RMB37,154,000, representing an increase of RMB1,262,000 or 3.52% as compared to the corresponding period of last year. Finance costs included interest expenses on bank borrowing, discount expenses and other finance expenses. The increase in finance costs for the period was mainly due to an increase in borrowings, which led to an increase in interest expenses.

In the first half of 2025, the income tax expense of the Group was RMB70,424,000, representing an increase of RMB3,030,000 or 4.50% as compared to the corresponding period of last year. Income tax expense included the total amount of current tax payable and deferred tax.

5. Profit for the Period and Total Comprehensive Income

Based on the above reasons, in the first half of 2025, the Group's profit for the period was RMB104,537,000, representing a decrease of RMB2,121,000 or 1.99% as compared to the corresponding period of last year.

Based on the profit for the period, and affected by foreign currency translation, the total comprehensive income in the first half of 2025 was RMB127,974,000, representing an increase of RMB30,184,000 or 30.87% as compared to the corresponding period of last year.

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

As at 30 June 2025, the net value of property, plant and equipment of the Group was RMB617,818,000, representing a decrease of RMB36,267,000 or 5.54% as compared to the end of the previous year.

As at 30 June 2025, the inventories of the Group were RMB183,419,000, representing a decrease of RMB77,895,000 or 29.81% as compared to the end of the previous year, mainly due to the combined effect of a decrease in cost of a single metric ton and a reduction in inventory volume of high-purity iron business.

As at 30 June 2025, the intangible assets of the Group were RMB647,570,000, representing an increase of RMB367,915,000 or 131.56% as compared to the end of the previous year, mainly due to the reversal of the assets previously reclassified to assets classified as held for sale at the end of last year as a result of the cancellation of the disposal transaction of Primary Gold Pty Ltd and its subsidiaries during the period, together with expenditure on mining rights, exploration and feasibility studies for iron and gold mines incurred during the period.

7. Trade and Other Receivables, Trade and Other Payables

As at 30 June 2025, the trade receivables of the Group were RMB271,546,000, representing an increase of RMB115,247,000 or 73.73% as compared to the end of the previous year, including RMB57,000,000 of third-party trade receivables that have been factored to non-bank financial institutions, mainly attributable to the increase in trade receivables from the high-purity iron segment.

As at 30 June 2025, the other receivables of the Group were RMB67,680,000, representing an increase of RMB1,348,000 or 2.03% as compared to the end of the previous year.

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 30 June 2025, the bills receivables of the Group were RMB463,204,000, representing an increase of RMB177,128,000 or 61.92% as compared to the end of the previous year, mainly due to more bills received during the period and not yet discounted or endorsed. Of which, undiscounted and unendorsed bills receivables were RMB146,361,000. Such bills can be discounted at any time to satisfy the Group's capital requirement.

As at 30 June 2025, the trade payables of the Group were RMB184,925,000, representing a decrease of RMB10,466,000 or 5.36% as compared to the end of the previous year. As at 30 June 2025, the other payables of the Group were RMB112,109,000, representing a decrease of RMB17,051,000 or 13.20% as compared to the end of the previous year.

8. Cash Use Analysis

The summary of the Group's consolidated statement of cash flows in the first half of 2025 is set out below:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Net cash flows from operating activities	**(126,045)**	98,608
Net cash flows from investing activities	**(342,580)**	10,146
Net cash flows from financing activities	**559,290**	(35,239)
Net increase in cash and cash equivalents	**90,665**	73,515
Cash and cash equivalents at the beginning of the period	**358,128**	270,258
Effect of changes in foreign exchange rate on cash and cash equivalents	**(737)**	675
Reversal (reclassification) of assets held for sale	**1,817**	(8)
Cash and cash equivalents at the end of the period	**449,873**	344,440

In the first half of 2025, the net cash outflow from operating activities was RMB126,045,000. The amount was mainly attributed to the profit before tax of RMB174,961,000, together with depreciation and amortization of RMB74,958,000 and finance costs of RMB37,154,000, which were offseted by the net change in working capital of RMB354,990,000 and the payment of income tax of RMB57,409,000.

According to IFRS accounting standards, the cash flows from (i) proceeds from bills discounted to banks that are not derecognised in their entirety, and (ii) proceeds from factoring of trade receivables to non-bank financial institutions with full recourse, are classified under net cash generated from/(used in) financing activities, rather than under net cash (used in)/generated from operating activities. The Directors are of the view that both relevant cash flow items should be taken into consideration to fully reflect the cash flows generated from our operations.

In the first half of 2025, the net cash outflow from investing activities amounted to RMB342,580,000. The amount mainly included the amount of RMB13,295,000 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 RMB76,217,000 paid for the acquisition of intangible assets and the net placement of borrowings and bills deposits of RMB269,083,000, etc..

In the first half of 2025, the net cash inflow from financing activities was RMB559,290,000, which was mainly from the new bank loans of RMB684,799,000, proceeds from bills discounted to banks that are not derecognised in their entirety of RMB171,800,000, proceeds from factoring of trade receivables to non-bank financial institutions with full recourse of RMB57,000,000, the repayment of bank loans of RMB572,380,000, the net inflow from notes financing of RMB290,079,000, the payment of dividends of RMB37,559,000 and the settlement of loan interest of RMB36,781,000.

Going forward, after duly considering cash on hand and cash equivalents, as well as the maturity profile and rollover success rate of bank borrowings, the Group expects to continue meeting its working capital requirements primarily through its operating activities and other available financial resources.

9. Cash and Borrowings

As at 30 June 2025, the available cash and acceptance bills of the Group amounted to RMB596,234,000, representing an increase of RMB220,380,000 or 58.63% as compared to the end of the previous year.

Breakdown of available cash and acceptance bills

	30 June 2025 RMB'000	31 December 2024 RMB'000	Changes Amount RMB'000	Ratio
Cash and bank balance	**449,873**	358,128	91,745	25.62%
Acceptance bills (undiscounted and unendorsed)	**146,361**	17,726	128,635	725.69%
Available cash and acceptance bills	**596,234**	375,854	220,380	58.63%

As at 30 June 2025, the bills payables and borrowings of the Group amounted to RMB884,657,000 and RMB1,099,347,000, respectively, and the amount net of borrowings and bills deposits was RMB941,491,000, representing an increase of RMB133,400,000 or 16.51% as compared to the end of the previous year.

Breakdown of borrowings and bills payables

	30 June 2025 RMB'000	31 December 2024 RMB'000	Changes Amount RMB'000	Ratio
Borrowings – due within one year	**1,041,347**	895,857	145,490	16.24%
Borrowings – due after one year	**58,000**	–	58,000	N/A
Subtotal	**1,099,347**	895,857	203,490	22.71%
Bills payables	**884,657**	594,578	290,079	48.79%
Total	**1,984,004**	1,490,435	493,569	33.12%
Less: borrowings and bills deposits	**813,713**	526,156	287,557	54.65%
Less: discounted acceptance bills	**171,800**	106,588	65,212	61.18%
Less: factored trade receivables	**57,000**	49,600	7,400	14.92%
Net borrowings and bills payables	**941,491**	808,091	133,400	16.51%

Save for the information disclosed above or otherwise disclosed 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 was no material change in the debts or contingent liabilities of the Group since 31 December 2024.

10. Gearing Ratio

The gearing ratio of the Group increased from 59.87% as at 31 December 2024 to 62.03% as at 30 June 2025. The gearing ratio is calculated by dividing total liabilities by total assets.

The Group's net gearing ratio increased from 31.21% as at 31 December 2024 to 31.94% as at 30 June 2025. 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

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 the 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, property, plant and equipment, mining rights as well as right-of-use assets. As at 30 June 2025, the net carrying value of the pledged bank deposits, acceptance bills, trade receivables, property, plant and equipment, mining rights and right-of-use assets amounted to RMB813,713,000, RMB171,800,000, RMB55,729,000, RMB59,901,000, RMB54,544,000 and RMB13,245,000, respectively.

As at 30 June 2025, the Group had no material contingent liabilities.

13. Capital Commitment

As at 30 June 2025, the capital commitment of the Group was RMB3,277,000, representing a decrease of RMB38,267,000 or 92.11% as compared to the end of the previous year. The capital commitment mainly relates to piecemeal engineering expenditures for the iron ore business and the high-purity iron business.

14. Capital Expenditure

The Group's capital expenditure increased from RMB62,541,000 in the first half of 2024 to RMB79,012,000 in the first half of 2025, representing a year-on-year increase of 26.34%. Expenditure incurred in the first half of 2025 mainly included (i) expenditure for plants, machines and equipment and properties amounting to RMB8,632,000; (ii) expenditure for intangible assets amounting to RMB66,217,000; and (iii) an increase of RMB4,163,000 in right-of-use assets.

15. Significant Investments Held

As at 30 June 2025, the Group did not hold any significant investments.

16. Material Acquisitions and Disposals of Subsidiaries, Associated Companies and Joint Ventures

The Group had no material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the first half of 2025.

17. Significant Subsequent Events

Save as the proposed spin-off and the listing of the gold business of the Group disclosed on page 12 of this report, there were no other significant events taken place subsequent to the end of the six months ended 30 June 2025.

18. Material Changes

Save as the proposed spin-off and the listing of the gold business of the Group disclosed on page 12 of 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 annual report.

OTHER INFORMATION

1. 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 30 June 2025, 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 (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 interests or short positions taken or deemed to have under such provisions of the SFO), or which was required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO or which was 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 as set out in Appendix C3 to the Listing Rules (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	1,353,061,666 (long position)	69.03%
Xia Zhuo[2]	Interest in controlled corporation	18,980,589 (long position)	0.97%
	Beneficial owner	140,000 (long position)	Less than 0.01%
Zheng Xuezhi	Beneficial owner	8,643,000 (long position)	0.44%
Zhang Jing[3]	Interest in controlled corporation	19,626,000 (long position)	1.00%
	Beneficial owner	531,000 (long position)	0.03%

Notes:

1. Mr. Yang Jiye holds 100% interest in each of Bisney Success Limited and Tuochuan Capital Limited. As a result, Mr. Yang Jiye is deemed to hold interest in 733,360,500 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 hold interest in 18,980,589 Shares held by Splendour Ventures Limited. The accurate percentage of the 140,000 Shares beneficially owned by Mr. Xia Zhuo is 0.00714286%.

3. Ms. Zhang Jing indirectly holds 100% interest in QianLong Wealth Limited. Thus Ms. Zhang Jing is deemed to have an interest in 19,626,000 Shares held by QianLong Wealth Limited.

(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%
Yang Jiye[2]	Hanking Australia Investment Pty Ltd	Interest in controlled corporation	2,100,000 (long position)	1.00%
Zheng Xuezhi[3]	Hanking Australia Investment Pty Ltd	Interest in controlled corporation	2,100,000 (long position)	1.00%
Zhang Jing[4]	Hanking Australia Investment Pty Ltd	Interest in controlled corporation	2,100,000 (long position)	1.00%

Notes:

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

2. Mr. Yang Jiye holds 100% interest in Tuochuan Capital Limited. As a result, Mr. Yang Jiye is deemed to be interested in 2,100,000 shares of Hanking Australia held by Tuochuan Capital Limited.

3. Mr. Zheng Xuezhi holds 100% interest in Mingde Capital Limited. As a result, Mr. Zheng Xuezhi is deemed to be interested in 2,100,000 shares of Hanking Australia held by Mingde Capital Limited.

4. Ms. Zhang Jing indirectly holds 100% interest in QianLong Wealth Limited. As a result, Ms. Zhang Jing is deemed to be interested in 2,100,000 shares of Hanking Australia held by QianLong Wealth Limited.

Save as disclosed above, as at 30 June 2025, 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 are 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 are required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO or which are 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 six months ended 30 June 2025 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.

OTHER INFORMATION
(CONTINUED)

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

As at 30 June 2025, as far as the Directors, having made all reasonable enquiries, are aware, the following persons owned 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 recorded in the register required to be 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	1,353,061,666 (long position)	69.03%
Bisney Success Limited	Beneficial owner	733,360,500 (long position)	37.42%
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%
Bank of Fushun Co., Ltd., Xinfu Branch[3]	Person having a security interest in Shares	500,000,000 (long position)	25.51%
China Citic Bank Corporation Limited, Fushun Branch[4]	Person having a security interest in Shares	280,000,000 (long position)	14.29%

Notes:

1. Mr. Yang Jiye holds 100% interest in each of Bisney Success Limited and Tuochuan Capital Limited. As a result, Mr. Yang Jiye is deemed to hold interest in 733,360,500 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 have an interest in 6,025,000 Shares held by China Hanking (BVI) Limited.

3. On 11 June 2025, Bisney Success Limited and Tuochuan Capital Limited pledged 200,000,000 Shares and 300,000,000 Shares respectively in favour of Bank of Fushun Co., Ltd., Xinfu Branch as securities for certain loans. Details of which are set out in the announcement of the Company dated 11 June 2025.

4. On 26 March 2025, Bisney Success Limited pledged 280,000,000 Shares in favour of China Citic Bank Corporation Limited, Fushun Branch as security for a term loan facility. Details of which are set out in the announcement of the Company dated 26 March 2025.

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any persons who 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. CHANGES OF DIRECTORS AND CHIEF EXECUTIVE AND THEIR INFORMATION

At the annual general meeting (the "**AGM**") of the Company held on 20 May 2025, in accordance with article 84(1) of the articles of association of the Company, Dr. Qiu Yumin (executive Director), Mr. Xia Zhuo (non-executive Director) and Mr. Wang Ping (independent non-executive Director) retired by rotation at the AGM, and being eligible, offered themselves for re-election.

At the Board of the Company held on 20 May 2025, Ms. Zhang Jing, an existing executive Director, and Mr. Zhao Bingwen, an existing independent non-executive Director, were appointed as members of the nomination committee of the Company.

Save as disclosed above, there is no other information required to be disclosed under Rule 13.51B(1) of the Listing Rules.

4. DIRECTORS' SERVICE CONTRACT

The Company has entered into a director's service contract with each of the Directors. The particulars of these service contracts include: (1) the term of their appointment as Directors is for 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) are subject to early termination in accordance with their respective terms.

5. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code, 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. Specific enquiries have been made to all Directors and the relevant employees of the Company, who have confirmed that they have complied with the Model Code and the Company Guideline throughout the six months period ended 30 June 2025.

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

Save as disclosed in the paragraph headed "13. Restricted Share Award Scheme" below, for the six months ended 30 June 2025, neither the Company nor any of 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), if any). The Company did not have any treasury Shares as at 30 June 2025.

7. EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 1,698 employees (as at 30 June 2024: 1,731 employees).

For the six months ended 30 June 2025, the aggregate remuneration expenses and other employee benefits costs of the Group amounted to RMB104,687,000 (for the six months ended 30 June 2024: RMB99,247,000). The remuneration policy of the Group is formulated on the basis of performance of individual employees and the prevailing salaries' trends in various regions, emphasizing on the direct relation between the employees' income and the operation performance and revenue of the Group. The remuneration policy is subject to review by the Group every year. The Group also provides its employees with training programmes, mandatory provident fund scheme, pension, medical insurance, occupational injury insurance, unemployment insurance, maternity insurance and other insurances required by the government as well as discretionary bonuses.

8. CORPORATE GOVERNANCE

Save as disclosed herein, during the six months ended 30 June 2025, the Company has complied with the principles and all the applicable code provisions of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and, meanwhile, complied with most of the best practices as recommended therein.

With effect from 20 March 2018, Mr. Yang Jiye, the chairman of the Board, has assumed the role of CEO and president of the Company. Although this is not in compliance with the requirements under code provision C.2.1 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the Company believes that vesting the roles of both chairman of the Board and CEO in Mr. Yang Jiye can provide strong and consistent leadership and enable 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 CEO based on the business operation if and when appropriate.

9. AUDIT COMMITTEE

During the period from 1 January 2025 to 30 June 2025, the Audit Committee comprised three independent non-executive Directors, namely Mr. Wang Ping (Chairman of the Audit Committee), Dr. Wang Anjian and Mr. Zhao Bingwen.

Pursuant to Rule 3.21 of the Listing Rules, the Company established the Audit Committee. According to Rule 3.22 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the terms of reference of the Audit Committee were approved and stated. The Audit Committee is primarily responsible for reviewing and monitoring the financial reporting, the risk management and the internal control of the Group, and reviewing the accounting policies, accounting standards and methods adopted by the Company with the management of the Company.

The Audit Committee, which has reviewed the 2025 interim results for the six months ended 30 June 2025 of the Company which has not been audited by the independent auditor, believes that the interim results have been prepared in accordance with the accounting standards, rules and regulations adopted, and made appropriate disclosure.

10. INTERIM DIVIDEND

Although the Group recorded a net profit for the interim period of 2025, the Board, after careful consideration of the Company's overall financial arrangements and strategic development direction, has decided not to declare an interim dividend for the current period. The Group is currently actively advancing the spin-off and listing of its Australian gold business, including the completion of the equity restructuring of Hanking Australia and related audit preparations. This spin-off will establish an independent capital platform for the gold business, enhancing governance efficiency and business responsiveness. To ensure the smooth progress of the spin-off and listing and safeguard the long-term interests of the Shareholders, the Company has decided to retain the interim profits to support the relevant preparatory work.

11. MAJOR LEGAL PROCEEDING

During the six months ended 30 June 2025, the Group was not involved in any major legal proceedings or arbitrations. To the knowledge of the Directors, there is no other pending or potential major legal proceeding or claim.

12. CONTINUING DISCLOSURE UNDER THE LISTING RULES

On 26 March 2025, Bisney Success Limited (「**Bisney Success**」) pledged 280,000,000 Shares (representing approximately 14.29% of the issued share capital of the Company as at 26 March 2025) in favour of China Citic Bank Corporation Limited, Fushun Branch (中信銀行股份有限公司撫順分行) (the "**Citic Bank**") as security for a term loan facility up to a maximum aggregate amount of RMB80,000,000 provided by the Citic Bank to Aoniu Mining, a subsidiary of the Company. Details of which are set out in the announcement of the Company dated 26 March 2025.

On 11 June 2025, Bisney Success and Tuochuan Capital Limited (「**Tuochuan Capital**」) pledged 200,000,000 Shares and 300,000,000 Shares respectively (representing approximately 10.20% and 15.31% of the issued share capital of the Company as at 11 June 2025, respectively) in favour of Bank of Fushun Co., Ltd., Xinfu Branch (撫順銀行股份有限公司新撫支行) (the "**Lender**"). Of the aforementioned pledged Shares, 100,000,000 Shares (representing approximately 5.10% of the issued share capital of the Company as at 11 June 2025) were pledged by Tuochuan Capital in favour of the Lender as security for a loan in the amount of RMB120,500,000 for Fushun Hanking D. R. I. Co., Ltd. (撫順罕王直接還原鐵有限公司), a subsidiary of the Company, as general working capital under the new loan agreement dated 11 June 2025. Details of which are set out in the announcement of the Company dated 11 June 2025.

OTHER INFORMATION
(CONTINUED)

Save 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 at 30 June 2025.

13. 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 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 of the date of this report.

The purpose and objective of the Scheme are (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 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.

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.

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 Shares to be awarded under the Scheme (the "**Award Shares**") and the Trustee shall apply the purchase price to purchase from the market all of the Award Shares and shall hold such Award 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 Award Shares purchased as aforesaid shall only be used for allocation to the selected participants in accordance with the Scheme Rules.

As of the date of this report, the Trustee, as instructed by the Board, 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 six months ended 30 June 2025). The Trustee holds these Shares pursuant to the Scheme Rules and the terms of the trust deed.

As of the date of this report, no Award Shares have been granted to the selected participants under the Scheme.

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

15 August 2025

FINANCIAL REPORT

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF CHINA HANKING HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Hanking Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 31 to 62, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board ("**IASB**"). The directors of the Company (the "**Directors**") are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion 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.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
15 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	NOTES	Six months ended 30 June 2025 RMB'000 (Unaudited)	 2024 RMB'000 (Unaudited)
Revenue	3A	**1,405,188**	1,268,564
Cost of sales		**(1,044,411)**	(921,590)
Gross profit		**360,777**	346,974
Other income	4A	**5,077**	5,587
Other gains and losses	4B	**5,242**	(3,348)
Impairment losses under expected credit loss ("ECL") model, net of reversal		**(5,964)**	5,442
Distribution and selling expenses		**(50,701)**	(40,747)
Administrative expenses		**(101,450)**	(101,101)
Research and development expenses		**(68)**	(59)
Other expense		**(409)**	(200)
Share of results of associates		**(389)**	(2,604)
Finance costs		**(37,154)**	(35,892)
Profit before tax		**174,961**	174,052
Income tax expense	6	**(70,424)**	(67,394)
Profit for the period	5	**104,537**	106,658
Other comprehensive income (expense):			
Items that may be reclassified subsequently to profit or loss:			
Impairment loss for receivables at fair value through other comprehensive income ("FVTOCI") included in profit or loss		**5,595**	(820)
Exchange differences on translation of financial statements of foreign operations		**17,842**	(8,048)
Other comprehensive income (expense) for the period		**23,437**	(8,868)
Total comprehensive income for the period		**127,974**	97,790
Profit (loss) for the period attributable to:			
Owners of the Company		**104,318**	107,467
Non-controlling interests		**219**	(809)
		104,537	106,658
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**127,520**	98,811
Non-controlling interests		**454**	(1,021)
		127,974	97,790
Basic and diluted earnings per share (RMB cent per share)	9	**5.4**	5.6

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	NOTES	**30 June 2025 RMB'000 (Unaudited)**	31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	10	**617,818**	654,085
Goodwill		**209,132**	209,132
Intangible assets	11	**647,570**	279,655
Right-of-use assets	12	**191,343**	194,559
Interests in associates	13	**7,699**	8,088
Financial assets at fair value through profit or loss ("**FVTPL**")		**114**	147
Deferred tax assets		**82,256**	212,949
Deposits on acquisition of long-lived assets		**5,015**	7,385
Restricted deposits	14	**37,213**	24,061
Pledged bank deposits	17	**–**	71,994
		1,798,160	1,662,055
Current assets			
Inventories		**183,419**	261,314
Trade and other receivables	15	**339,226**	222,469
Receivables at FVTOCI	16	**463,204**	286,076
Amount due from a related party	25	**6,047**	6,047
Pledged bank deposits	17	**813,713**	454,162
Cash and cash equivalents	17	**449,873**	358,128
		2,255,482	1,588,196
Assets classified as held for sale	18	**–**	341,697
		2,255,482	1,929,893
Current liabilities			
Trade, bills and other payables	19	**1,181,691**	914,987
Amount due to a related party	25	**8,075**	6,950
Borrowings	20	**1,041,347**	895,857
Lease liabilities		**1,232**	2,196
Contract liabilities		**79,383**	65,712
Tax liabilities		**101,233**	107,046
		2,412,961	1,992,748
Liabilities directly associated with assets classified as held for sale	18	**–**	75,942
		2,412,961	2,068,690
Net current liabilities		**(157,479)**	(138,797)
Total assets less current liabilities		**1,640,681**	1,523,258

	NOTES	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Borrowings	20	**58,000**	–
Lease liabilities		**1,463**	–
Provisions		**42,233**	29,096
Deferred tax liabilities		**–**	52,560
		101,696	81,656
Net assets		**1,538,985**	1,441,602
Capital and reserves			
Share capital	21	**160,203**	160,203
Reserves		**1,367,883**	1,274,588
Equity attributable to owners of the Company		**1,528,086**	1,434,791
Non-controlling interests		**10,899**	6,811
Total equity		**1,538,985**	1,441,602

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company													
	Share capital RMB'000	Restricted shares held for Incentive Award Scheme RMB'000	Share premium RMB'000	Statutory surplus reserve RMB'000	Future development funds reserve RMB'000 (note a)	FVTOCI reserve RMB'000	Translation reserve RMB'000	Share-based payments reserve RMB'000	Special reserve RMB'000	Other reserves 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 2025 (audited)	**160,203**	**(44,332)**	**342,158**	**250,125**	**602,552**	**5,646**	**(27,396)**	**10,091**	**(1,577,161)**	**(75,379)**	**1,788,284**	**1,434,791**	**6,811**	**1,441,602**
Profit for the period	-	-	-	-	-	-	-	-	-	-	104,318	104,318	219	104,537
Other items of comprehensive income for the period	-	-	-	-	-	5,595	17,607	-	-	-	-	23,202	235	23,437
Total comprehensive income for the period	-	-	-	-	-	5,595	17,607	-	-	-	104,318	127,520	454	127,974
Transfer to future development funds reserve, net of utilisation	-	-	-	-	13,408	-	-	-	-	-	(13,408)	-	-	-
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	906	-	-	-	906	-	906
Dividend declared	-	-	-	-	-	-	-	-	-	-	(35,131)	(35,131)	-	(35,131)
Profit appropriation to statutory surplus reserve	-	-	-	473	-	-	-	-	-	-	(473)	-	-	-
Deregistration of Shandong Hanking Bangkai Green Building Materials Co., Ltd* (山東罕王邦凱綠色建材有限公司)	-	-	-	-	-	-	-	-	-	-	-	-	630	630
Contribution from non-controlling interests of Cygnet Gold Pty Ltd ("Cygnet Gold")	-	-	-	-	-	-	-	-	-	-	-	-	3,004	3,004
At 30 June 2025 (unaudited)	**160,203**	**(44,332)**	**342,158**	**250,598**	**615,960**	**11,241**	**(9,789)**	**10,997**	**(1,577,161)**	**(75,379)**	**1,843,590**	**1,528,086**	**10,899**	**1,538,985**
At 1 January 2024 (audited)	160,203	(44,332)	342,158	249,870	625,588	1,949	2,338	5,525	(1,577,161)	(16,988)	1,654,768	1,403,918	46,639	1,450,557
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	107,467	107,467	(809)	106,658
Other items of comprehensive expense for the period	-	-	-	-	-	(820)	(7,836)	-	-	-	-	(8,656)	(212)	(8,868)
Total comprehensive (expense) income for the period	-	-	-	-	-	(820)	(7,836)	-	-	-	107,467	98,811	(1,021)	97,790
Transfer to future development funds reserve, net of utilisation	-	-	-	-	(18,051)	-	-	-	-	-	18,051	-	-	-
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	1,210	-	-	-	1,210	-	1,210
Dividend declared	-	-	-	-	-	-	-	-	-	-	(34,986)	(34,986)	-	(34,986)
At 30 June 2024 (unaudited)	160,203	(44,332)	342,158	249,870	607,537	1,129	(5,498)	6,735	(1,577,161)	(16,988)	1,745,300	1,468,953	45,618	1,514,571

Note:

Other than the disclosure relating to the current period movements in future development funds reserve as described below, the definition and nature of statutory reserve, future development funds reserve, special reserve and other reserves are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

(a) 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 interim period amounted to RMB27,516,000 (30 June 2024: RMB2,265,000) and RMB14,108,000 (30 June 2024: RMB20,316,000) respectively.

* English name is for identification purpose only.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)
Net cash (used in) from operating activities	**(126,045)**	98,608
Investing activities		
Purchases of property, plant and equipment	**(13,295)**	(36,101)
Payments for intangible assets	**(76,217)**	(37,697)
Payments for right-of-use assets	**(2,042)**	(1,218)
Purchases of financial assets at FVTPL	**–**	(3,000)
Proceeds on disposal of FVTPL	**–**	1,452
Proceeds on disposal of property, plant and equipment	**1,725**	1,517
Interest received	**3,149**	4,331
Withdrawal of restricted cash	**–**	29
Placement of restricted cash	**(290)**	–
Advance to an associate	**(3,000)**	–
Repayment received from an associate	**3,000**	–
Payment received from a shareholder of an associate	**1,500**	–
Repayment received from a third party	**–**	36,600
Reimbursement of exploration and evaluation cost received from Huineng Gold Pty Ltd ("Huineng Gold")	**11,973**	–
Net cash flow on acquisition of Fushun Shuangfu Mining Co., Ltd. ("Shuangfu Mining")	**–**	(13,854)
Withdrawal of pledged bank deposits in relation to borrowings and bills payable	**448,599**	536,685
Placement of pledged bank deposits in relation to borrowings and bills payable	**(717,682)**	(478,598)
Net cash (used in) from investing activities	**(342,580)**	10,146
Financing activities		
Proceeds from bills discounted to banks that are not derecognised in their entirety	**171,800**	109,409
Proceeds from factoring of trade receivables to non-bank financial institutions with full recourse	**57,000**	–
New borrowings raised	**684,799**	453,191
Repayments of borrowings	**(572,380)**	(487,500)
Proceeds from notes financing	**798,657**	641,533
Payments for notes financing	**(508,578)**	(692,750)
Payments of lease liabilities	**(1,797)**	(1,755)
Interest paid	**(36,781)**	(35,036)
Dividend paid to owners of the Company	**(37,559)**	(34,731)
Advance from a related party	**371,621**	413,200
Repayment of advance from a related party	**(370,496)**	(400,800)
Contribution from non-controlling interests of Cygnet Gold	**3,004**	–
Net cash from (used in) financing activities	**559,290**	(35,239)
Net increase in cash and cash equivalents	**90,665**	73,515
Cash and cash equivalents at 1 January	**358,128**	270,258
Cash and cash equivalents of the Disposal Group (as defined in note 18) transfer to assets classified as held for sale (note 18)	**–**	(8)
Reclassification upon cessation of classification as assets held for sale	**1,817**	–
Effect of foreign exchange rate changes	**(737)**	675
Cash and cash equivalents at 30 June	**449,873**	344,440

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

A. General Information

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") *"Interim Financial Reporting"* issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

B. Going Concern Assessment

The Directors have given careful consideration to the going concern of the Group in light of the fact that as at 30 June 2025, the Group's current liabilities exceeded its current assets by renminbi ("**RMB**") 157,479,000. In addition, as at 30 June 2025, the Group had capital commitments contracted for but not provided in the condensed consolidated financial statements amounting to RMB3,277,000 as disclosed in note 24.

As at 30 June 2025, the Group had available conditional banking facilities of RMB887,190,000 ("**Conditional Facilities**"). The utilisation of these Conditional Facilities are subject to approval 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 a significant portion of the Group's bank borrowings can be successfully renewed upon maturity in view of the Group's historical successful experiences in refinancing the expiring debts.

Taking into account the above factors, the Directors are of the opinion that, together with the other financial resources available to the Group, including cash and cash equivalents on hand 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 12 months commencing from the end of the reporting period. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional/change in accounting policies resulting from application of amendments to International Financial Reporting Standards ("**IFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standard issued by IASB, for the first time, which are mandatory effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to IFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

	For the six months ended 30 June 2025			
	Iron Ore Business RMB'000 (Unaudited)	High-purity Iron Business RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Sales of goods (recognised at a point in time)				
Iron ore concentrates	131,957	–	–	131,957
High-purity iron	–	1,269,405	–	1,269,405
Building materials	–	–	177	177
Raw and leftover materials	645	1,568	–	2,213
	132,602	1,270,973	177	1,403,752
Rendering of service (recognised over time)				
Processing of iron ore	1,436	–	–	1,436
Total	1,436	–	–	1,436
Geographical market				
Mainland China	134,038	1,270,973	177	1,405,188

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Disaggregation of revenue from contracts with customers (continued)

	For the six months ended 30 June 2024			
	Iron Ore Business RMB'000 (Unaudited)	High-purity Iron Business RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Sales of goods (recognised at a point in time)				
Iron ore concentrates	52,603	–	–	52,603
High-purity iron	–	1,196,518	–	1,196,518
Building materials	–	–	995	995
Raw and leftover materials	488	17,773	187	18,448
Total	53,091	1,214,291	1,182	1,268,564
Geographical market				
Mainland China	53,091	1,214,291	1,182	1,268,564

3B. 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 exploration, mining, processing and sale ("**Iron Ore Business**"), production and sales of high-purity iron ("**High-purity Iron Business**") in the People's Republic of China (the "**PRC**"), and gold exploration ("**Gold Business**") in 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 chief executive officer, being the chief operating decision maker, 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 includes production and sales of building materials (i.e., foamed ceramics) ("**Building Material Business**").

3B. OPERATING SEGMENTS (CONTINUED)

Segment revenue and results

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

Six months ended 30 June 2025

	Iron Ore Business RMB'000 (Unaudited)	High-purity Iron Business RMB'000 (Unaudited)	Gold Business RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Adjustments and eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue						
External sales	**134,038**	**1,270,973**	**–**	**177**	**–**	**1,405,188**
Inter-segment sales	**313,940**	**1,145**	**–**	**–**	**(315,085)**	**–**
	447,978	**1,272,118**	**–**	**177**	**(315,085)**	**1,405,188**
Segment profit (loss)	**172,142**	**14,956**	**(5,154)**	**(2,897)**	**(1,608)**	**177,439**
Central administration costs and directors' salaries						**(2,100)**
Other income and other gains and losses						**11**
Share of results of associates						**(389)**
Group's profit before tax						**174,961**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3B. OPERATING SEGMENTS (CONTINUED)

Segment revenue and results (continued)

Six months ended 30 June 2024

	Iron Ore Business RMB'000 (Unaudited)	High-purity Iron Business RMB'000 (Unaudited)	Gold Business RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Adjustments and eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue						
External sales	53,091	1,214,291	–	1,182	–	1,268,564
Inter-segment sales	462,353	2,644	–	–	(464,997)	–
	515,444	1,216,935	–	1,182	(464,997)	1,268,564
Segment profit (loss)	235,248	(35,503)	(1,207)	(5,048)	(4,906)	188,584
Central administration costs and directors' salaries						(5,970)
Other income and other gains and losses						(5,958)
Share of results of associates						(2,604)
Group's profit before tax						174,052

3B. OPERATING SEGMENTS (CONTINUED)

Segment assets and liabilities

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

Segment assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Iron Ore Business	**1,229,847**	1,090,381
High-purity Iron Business	**1,984,183**	1,657,039
Gold Business	**516,480**	560,234
Total reportable segment assets	**3,730,510**	3,307,654
Other reporting segments	**65,494**	65,557
Unallocated		
Financial assets at FVTPL	**114**	147
Other receivables	**6,047**	6,047
Interests in associates	**7,699**	8,088
Cash and cash equivalents	**243,778**	204,455
Consolidated assets	**4,053,642**	3,591,948

Segment liabilities

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Iron Ore Business	**853,191**	616,182
High-purity Iron Business	**1,598,325**	1,352,664
Gold Business	**22,414**	141,938
Total reportable segment liabilities	**2,473,930**	2,110,784
Other reporting segment	**3,031**	3,013
Unallocated		
Tax liabilities	**37,440**	33,865
Dividend payable	**256**	2,684
Consolidated liabilities	**2,514,657**	2,150,346

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3B. 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 interest in associates, financial assets at FVTPL, certain other receivables 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.

4A. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Bank interest income	**4,450**	4,382
Government grants	**27**	605
Rental income	**600**	600
	5,077	5,587

4B. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Impairment loss on interest in an associate	**–**	(5,976)
Fair value loss on financial assets at FVTPL	**(37)**	(698)
Net foreign exchange gain	**1,150**	1,891
Gain on disposal of property, plant and equipment	**1,546**	918
Others	**2,583**	517
	5,242	(3,348)

5. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging the following items:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation and amortisation:		
– Depreciation of property, plant and equipment	**59,055**	61,492
– Depreciation of right-of-use assets	**7,391**	7,770
– Amortisation of intangible assets	**8,512**	9,986
Total depreciation and amortisation	**74,958**	79,248
Capitalised in inventories	**(64,090)**	(66,209)
	10,868	13,039
Staff costs (including directors):		
– Salary and other benefits	**91,142**	85,410
– Bonus	**5,895**	6,060
– Retirement benefits scheme contributions	**6,744**	6,567
– Share-based payment	**906**	1,210
Total staff costs	**104,687**	99,247
Capitalised in inventories	**(46,383)**	(40,212)
	58,304	59,035

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Income tax expenses comprise:		
PRC enterprise income tax ("EIT") - current	**47,452**	65,773
Withholding tax	**3,575**	3,578
Under provision of EIT in prior years	**750**	2,768
	51,777	72,119
Deferred tax expense	**18,647**	(4,725)
Income tax expense	**70,424**	67,394

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

6. INCOME TAX EXPENSE (CONTINUED)

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years except disclosed as below.

In 2022, Fushun Hanking Aoniu Mining Co., Ltd. *(撫順罕王傲牛礦業有限公司) ("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. During the six months ended 30 June 2024, 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. During the current interim period, the management determined not to renew the preferential tax qualification under "High Technology Enterprise".

The Company and certain subsidiaries located in Hong Kong and Australia had no provision for income tax as there were no assessable profits arising from these jurisdictions for both periods.

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.

* English name is for identification purpose only.

7. ACQUISITION OF SUBSIDIARIES

(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.

7. ACQUISITION OF SUBSIDIARIES (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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. DIVIDENDS

During the current interim period, a final dividend of HKD0.02 per share amounting to HKD39,200,000 (equivalent to RMB35,851,000) in respect of the end of the year ended 31 December 2024 was declared, among which HKD38,409,000 (equivalent to RMB35,131,000) was paid to the owners of the Company whose names appear in the Register of Members on 6 June 2025 (six months ended 30 June 2024: A final dividend of HKD0.02 per share amounting to HKD39,200,000 (equivalent to RMB35,706,000) in respect of the end of the year ended 31 December 2023 was declared, among which HKD38,409,000 (equivalent to RMB34,986,000) was paid to the owners of the Company whose names appear in the Register of Members on 7 June 2024).

No dividends were proposed during the interim period. For the six months ended 30 June 2024, an interim dividend of HKD0.02 per share amounting to HKD39,200,000 (equivalent to RMB35,777,000) was paid to the owners of the Company.

9. 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:

	For the six months ended	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share for the period attributable to owners of the Company	**104,318**	107,467
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**1,920,461,000**	1,920,461,000

There is no ordinary shares repurchased during the both interim periods.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group had additions of property, plant and equipment of RMB8,632,000 (six months ended 30 June 2024: RMB12,508,000) for expansion of business and production capacity of the Group.

No impairment loss has been recognised during the current interim period.

11. MOVEMENTS IN INTANGIBLE ASSETS

During the current interim period, the Group had additions of exploration and evaluation assets, technical know-how and software of RMB66,217,000 (six months ended 30 June 2024: RMB48,815,000).

No impairment loss has been recognised during the current interim period.

12. MOVEMENTS IN RIGHT-OF-USE ASSETS

During the current interim period, the Group recognised leasehold lands and offices and premises of RMB4,163,000 (six months ended 30 June 2024: RMB1,218,000) and lease liabilities of RMB1,917,000 (six months ended 30 June 2024: nil).

13. INTERESTS IN ASSOCIATES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cost of investment in associates	**46,384**	46,384
Share of post-acquisition result	**(13,458)**	(13,069)
Impairment	**(25,227)**	(25,227)
	7,699	8,088

Name of associates	**Principal activities**	**Place of establishment and operation**	**Proportion of ownership interest and voting power held by the Group**	
			30 June 2025 %	31December 2024 %
Tibet Oudi Electronic Technology Co., Ltd* (西藏歐帝電子科技有限公司) ("**Tibet Oudi**") (note a)	Production and sales of LCD products	PRC	**10.50**	10.22
MCW Limited* (株式會社MCW) (note b)	Nursing school	Japan	**15.00**	15.00

* English name is for identification purpose only.

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For the six months ended 30 June 2025

13. INTERESTS IN ASSOCIATES (CONTINUED)

Notes:

a) The investment in Tibet Oudi was made by Shanghai Tuoao Industry Limited ("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 of the Company considered the Group is able to exercise significant influence over Tibet Oudi and accounted for as investment in an associate. Owing to the ongoing financial losses, the management of the Group closely monitor its financial performance and has conducted an impairment assessment on the Group's interest in Tibet Oudi. As of December 31,2024, the premium on acquisition of Tibet Oudi amounted to RMB25,227,000 was fully impaired.

b) The investment was made directly by the Company. The Company entitled the right to appoint two directors out of five in the board of directors, as such, the directors of the Company considered the Group is able to exercise significant influence over MCW and accounted for as investment in an associate.

14. RESTRICTED DEPOSITS

As at 30 June 2025, restricted deposits of RMB 37,213,000 (31 December 2024: RMB24,061,000) are deposits placed in banks as 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.

15. TRADE AND OTHER RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables		
– Related parties (note 25)	**4,298**	2,675
– Third parties	**285,402**	171,942
Less: allowance for credit loss	**(18,154)**	(18,318)
	271,546	156,299
Other receivables		
– Advances to suppliers	**18,720**	21,040
– Interest receivable	**3,101**	1,800
– Deposits	**3,410**	2,811
– Deposit for resource tax	**13,061**	11,756
– Other tax recoverable	**2,479**	3,313
– Value-added tax recoverable	**16,086**	19,093
– Staff advance	**1,708**	1,497
– Prepaid expense	**7,867**	4,633
– Others	**15,210**	14,351
	81,642	80,294
Less: allowance for credit loss	**(13,962)**	(13,962)
Total other receivables	**67,680**	66,332
Total trade and other receivables	**339,226**	222,631
Less:		
transfer to assets classified as held for sale (note 18)	**–**	(162)
	339,226	222,469

Note:

During the current interim period, the Group allows an average credit period of 7 days (2024: 7 days) to customers of iron ore concentrates, 60 days (2024: 60 days) to customers of high-purity iron, 30 days (2024: 30 days) to customers of building materials and 30 days (2024: 30 days) to its customer of processing of iron ore. However, upon maturity of the credit period, the Group would further negotiate with its customers and may consider to extend the repayment date, based on customers' history of payment and credit quality, on a case-by-case basis.

As at 30 June 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB65,114,000 (2024: RMB36,726,000) which are past due.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an ageing analysis of trade receivables, net of loss allowance, presented based on the invoice dates, which approximated the revenue recognition date:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
– Within 7 days	**147,348**	72,975
– 8 days to 30 days	**27,625**	2,266
– 31 days to 60 days	**33,086**	45,308
– 61 days to 90 days	**18,780**	14,545
– 91 days to 1 year	**44,707**	21,205
	271,546	156,299

16. RECEIVABLES AT FVTOCI

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Receivables at FVTOCI comprise:		
Bills receivables	**463,204**	286,076

The Group's receivables at FVTOCI were bills receivables with the following maturity:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
– Within 6 months	**463,204**	286,076

16A. TRANSFERS OF FINANCIAL ASSETS

16A.1 Transferred financial assets that are not derecognised in their entirety

The following were the Group's financial assets as at 30 June 2025 and 31 December 2024 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.

As at 30 June 2025

	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	**57,000**	**171,800**	**145,043**	**373,843**
Carrying amount of associated liabilities	**(57,000)**	**(171,800)**	**(145,043)**	**(373,843)**
Net position	**–**	**–**	**–**	**–**

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	–	–	–	–

16A. TRANSFERS OF FINANCIAL ASSETS (CONTINUED)

16A.2 Transferred financial assets that are derecognised in their entirety but have continuing involvement

As of 30 June 2025 the Group had derecognised bills discounted to banks or endorsed to certain suppliers, but not expired on a full recourse basis amounting to RMB393,464,000 (2024:RMB249,342,000). 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 was 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 pay off the outstanding balance. Therefore, the Group continued to involve in these financial assets.

17. PLEDGED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

Pledged bank deposits represented security deposits for bills payables and bank borrowings, carry fixed interest rates ranging from 0.05%-3.5% (31 December 2024: 0.25%-3.5%) per annum.

Cash and cash equivalents of the Group comprise cash and short term bank deposits with an original maturity of three months or less. The bank balances carry variable interest rates ranging 0.05%-0.35% (31 December 2024: 0.125%- 0.35%) per annum.

18. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 1 July 2024, HGM Resources Pty Ltd ("**Vendor**"), 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 ("**Purchaser**"), 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 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 by no later than 1 July 2025 (the "**Sunset Date**"), 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 a disposal group held for sale and are presented separately in the condensed consolidated statement of financial position. The Disposal Group is included in the Group's Gold Business for segment reporting purposes (see note 3B).

Since the net proceeds from the disposal are expected to exceed the net carrying amount of the Disposal Group and accordingly, no impairment loss has been recognized.

18. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

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

On the Sunset Date, one of the key conditions, the Australia Foreign Investment Review Board condition was not satisfied by the Purchaser. Accordingly, on 2 July 2025, the Vendor elected to exercise its right to terminate the share sale agreement entered into on 1 July 2024. (the "**Termination**"). In view of the Termination, the Company ceased to classify the relevant assets and liabilities of the then Disposal Group as "assets held for sale" in the interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

19. 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.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables (note)		
– Within 15 days	**66,887**	110,825
– 15 days to 90 days	**79,208**	67,370
– 91 days to 1 year	**31,898**	10,347
– 1 year to 2 years	**1,537**	1,356
– 2 years to 3 years	**42**	191
– Over 3 years	**5,353**	5,302
	184,925	195,391
Bills payables under note financing arrangement	**884,657**	594,578
Other payables		
Advance receipt of value-added tax from customers	**10,333**	8,575
Other tax payable	**27,862**	14,791
Payable for acquisition of property, plant and equipment	**13,775**	20,808
Outsourced service payable	**14,320**	14,781
Transportation fee payable	**17,479**	17,155
Accrued expense	**1,310**	2,115
Salary and bonus payables	**13,715**	15,273
Interest payable	**246**	756
Dividend payable	**256**	2,684
Refundable deposits	**8,232**	5,662
Payable for mining rights	**–**	10,000
Advance receipt from Huineng Gold relating to the Disposal	**–**	8,464
Others	**4,581**	8,096
	112,109	129,160
Total trade, bills and other payables	**1,181,691**	919,129
Less:		
transfer to liabilities associated with assets classified as held for sale (note 18)	**–**	(4,142)
	1,181,691	914,987

19. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

Note:

The aged analysis of trade payables was presented based on the date of acceptance of the goods at the end of the reporting period.

At the end of both reporting periods, the Group's bills payables were issued by banks with the following maturity:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 6 months	**824,657**	594,578
6 months to 1 year	**60,000**	–
	884,657	594,578

20. BORROWINGS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Bank loans	**1,042,347**	846,257
Other loans	**57,000**	49,600
	1,099,347	895,857
Secured and guaranteed	**670,647**	508,228
Secured and unguaranteed	**316,700**	225,629
Unsecured and guaranteed	**110,000**	160,000
Unsecured and unguaranteed	**2,000**	2,000
	1,099,347	895,857
The above loans are carried at fixed-rate	**1,099,347**	895,857
Carrying amount repayable (note):		
Due within one year	**1,041,347**	895,857
More than one year, but not more than two years	**58,000**	–
	1,099,347	895,857

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

20. BORROWINGS (CONTINUED)

Note:

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:

	30 June 2025 % (Unaudited)	31 December 2024 % (Audited)
Fixed-rate borrowings	**3.45 - 8.60**	3.45 - 8.60

The secured and guaranteed bank borrowings were guaranteed by Mr. Yang Jiye, who is also the chief executive officer, president and executive director of the Company, and Ms. Yang Min (collectively, the "**Controlling Shareholders**") and the companies controlled by them. Among the secured and guaranteed bank borrowings, RMB550,947,000 (31 December 2024: RMB388,000,000) were secured by certain property, plant and equipment, mining rights, right-of-use assets and shares of subsidiaries of the Group, and RMB119,700,000 (31 December 2024: RMB120,228,000) were secured by certain assets of the companies controlled by the Controlling Shareholders and shares of subsidiaries of the Group.

The secured and unguaranteed bank borrowing of RMB87,900,000 (31 December 2024: RMB87,900,000) are secured by pledged bank deposits and RMB 171,800,000 (31 December 2024: RMB88,129,000) are secured by receivables at FVTOCI of the Group.

The secured and unguaranteed other borrowing of RMB57,000,000 (31 December 2024: RMB49,600,000) are secured by trade receivables.

The unsecured and guaranteed bank borrowings of approximately RMB110,000,000 (31 December 2024: RMB160,000,000) at 30 June 2025 were guaranteed by subsidiaries of the Group, the Controlling Shareholders and the companies controlled by them.

21. SHARE CAPITAL

The amount as at 30 June 2025 and 31 December 2024 represented the issued share capital of the Company. Details of movement of share capital of the Company are as follows:

	Number of shares	Share capital HKD'000	RMB equivalent RMB'000
Ordinary shares of HKD0.1 each			
Authorised:			
At 1 January 2024 (audited), 30 June 2024 (unaudited), 31 December 2024 (audited), and 30 June 2025 (unaudited)	10,000,000,000		
Issued and fully paid:			
At 1 January 2024 (audited), 30 June 2024 (unaudited), 31 December 2024 (audited), and 30 June 2025 (unaudited)	1,960,000,000	196,000	160,203

22. RESTRICTED SHARES HELD FOR STRATEGIC INCENTIVE AWARD SCHEME

On 29 August 2019, the board of directors of the Company (the "**Board**") resolved to adopt a restricted share award scheme (the "**Scheme**") whereby awards of ordinary shares (the "**Award 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 until such Shares are vested with the relevant Selected Participants in accordance with the provisions of the Scheme.

The Scheme became effective on 29 August 2019 and shall continue to be effective for a term of 10 years or until such date of early termination as determined by the Board, whichever is earlier, after which no further Award Shares shall be granted or accepted, but the provisions of the Scheme shall remain effective 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 interim period.

As at 30 June 2025, no Award Shares have been granted to any Selected Participants pursuant to the Scheme.

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23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets 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), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at 30/06/2025	Fair value as at 31/12/2024	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
Listed equity investments classified as financial assets at FVTPL	**Listed equity securities in Australia: RMB114,000**	Listed equity securities in Australia: RMB147,000	Level 1	Quoted bid prices in an active market.	N/A
Receivables at FVTOCI	**Receivables at FVTOCI in the PRC: RMB 463,204,000**	Receivables at FVTOCI in the PRC: RMB 286,076,000	Level 2	Income approach - in this approach, the 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 interim period.

The Directors consider that the carrying amount of financial assets and financial liabilities measured at amortised cost in the condensed consolidated financial statements approximates their fair value.

24. CAPITAL COMMITMENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**3,277**	41,544

25. RELATED PARTY DISCLOSURES

(a) Related party transactions

During the current interim period, save as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following related party transactions:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
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 i)	**26**	65
Property fee:		
Shenyang Shengtai	**476**	476
Service income:		
Fushun Majuncheng (note iii)	**1,436**	–
Rental income:		
Beijing Heyan Yue'se Medical Beauty Clinic Co., Ltd* (北京和顏悦色醫療美容診所有限公司) ("**Beijing Heyan**") (note iv)	**600**	600
Share-based payment expense:		
Dr. Qiu	**260**	722
Guarantee fee:		
Tuochuan Capital Limited (note i)	**–**	2,340

* English name is for identification purpose only.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

25. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Account receivables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Fushun Majuncheng	**4,298**	2,675

(c) Other receivables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Beijing Heyan	**105**	–
Fushun Majuncheng	**150**	150
	255	150

(d) Lease liabilities

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Shenyang Shengtai	**553**	1,471

(e) Amount due to a related party

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
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**") (note i)	**8,075**	6,950

* English name is for identification purpose only.

25. RELATED PARTY DISCLOSURES (CONTINUED)

(f) Amount due from a related party

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Mingde Capital Limited ("**Mingde**") (formerly known as Best Fate Limited) (note ii)	**6,047**	6,047

(g) Compensation of key management personnel

The remuneration of Directors and other members of key management during the periods is as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	**5,722**	5,577
Bonus	**3,249**	1,898
Equity settled share-based expense	**260**	722
Retirement benefits schemes contribution	**549**	649
	9,780	8,846

Notes:

(i) 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.

(ii) On 17 December 2018, the Company entered into an agreement with Mingde, pursuant to which the Company agreed to transfer 3% shares of Hanking Australia to Mingde at the consideration of AUD1,260,000 (equivalent to approximately RMB5,619,000). The beneficial owners of Mingde 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 current interim period is RMB6,047,000.

(iii) Fushun Majuncheng is controlled by Ms. Yang Min, one of the Controlling Shareholders of the Company. The Group provides a service of iron ore processing to Fushun Majuncheng.

(iv) Mr. Yang Jiye, one of the Controlling Shareholders of the Company, has significant influence over Beijing Heyan.

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For the six months ended 30 June 2025

26. EVENT AFTER THE END OF THE REPORTING PERIOD

On 4 July 2025, in order to build an independent capital platform for the gold business and promote the faster development of the Company's Gold Business, and at the same time enhance the value of the Shares held by the Shareholders, the management announced the proposal to spin-off and separately list the shares of Hanking Gold Limited ("**Hanking Gold**"), on the main board of the Hong Kong Stock Exchange by way of introduction. Upon the completion of the proposed spin-off and the listing, Hanking Gold will cease to be a subsidiary of the Company, resulting in parallel listing structure of the Company and Hanking Gold. Hanking Gold was established through the restructuring of the Group's gold assets in Australia and will be the designated entity for the proposed spin-off and the listing.

DEFINITIONS OF TERMS

"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
"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, references to the PRC or China do not include Hong Kong, Macau Special Administrative Region and Taiwan
"Company" or "our Company" or "we"	China Hanking Holdings Limited (中國罕王控股有限公司)
"Controlling Shareholder(s)"	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
"the Group" or "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 Gold"	Hanking Gold Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands and a non-wholly-owned subsidiary of the Company as of the date of this report
"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" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"JORC Code"	the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves

DEFINITIONS OF TERMS

"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
"RMB"	Renminbi, 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
"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)
"United States"	the United States of America
"US$" or "USD"	the lawful currency of the United States