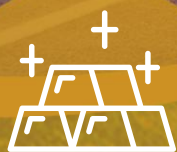




# 赤峰吉隆黃金礦業股份有限公司 Chifeng Jilong Gold Mining Co., Ltd.

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

**Stock Code : 6693**



# 2024

## ANNUAL REPORT

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# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Mr. Wang Jianhua (*Chairman*)  
Ms. Yang Yi-fang  
Mr. Lyu Xiaozhao  
Mr. Gao Bo

## NON-EXECUTIVE DIRECTOR

Mr. Zhang Xudong

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Mao Jingwen  
Dr. Shen Zhengchang  
Mr. Hu Nailian  
Dr. Wong Yet Ping Ambrose (*appointed on 23 August 2024*)  
Ms. Li Yan (*resigned on 23 August 2024*)  
Mr. Guo Qingui (*resigned on 23 August 2024*)

## SUPERVISORS

Mr. Cheng Zhenlong  
Mr. Ji Hongyong  
Mr. Liu Fengwu (*appointed on 2 January 2024*)  
Mr. Han Kun (*resigned on 2 January 2024*)

## AUDIT COMMITTEE

Dr. Wong Yet Ping Ambrose (*chairman*)  
(*appointed on 23 August 2024*)  
Ms. Li Yan (*chairperson*) (*resigned on 23 August 2024*)  
Mr. Zhang Xudong  
Mr. Hu Nailian (*appointed on 23 August 2024*)  
Mr. Guo Qingui (*resigned on 23 August 2024*)

## NOMINATION COMMITTEE

Mr. Hu Nailian (*chairman*)  
Mr. Lyu Xiaozhao  
Dr. Shen Zhengchang  
Dr. Wong Yet Ping Ambrose  
(*appointed on 23 August 2024*)  
Mr. Guo Qingui (*resigned on 23 August 2024*)

## REMUNERATION AND APPRAISAL COMMITTEE

Mr. Hu Nailian (*chairman*) (*appointed as chairman on 23 August 2024*)  
Mr. Guo Qingui (*chairman*) (*resigned on 23 August 2024*)  
Ms. Yang Yi-fang  
Dr. Mao Jingwen  
Dr. Shen Zhengchang

## STRATEGY AND SUSTAINABILITY COMMITTEE

Mr. Wang Jianhua (*chairman*)  
Ms. Yang Yi-fang  
Mr. Lyu Xiaozhao  
Mr. Zhang Xudong  
Dr. Wong Yet Ping Ambrose (*appointed on 23 August 2024*)  
Mr. Gao Bo (*resigned on 23 August 2024*)

## AUTHORISED REPRESENTATIVES

Ms. Yang Yi-fang  
Mr. Wong Hok Bun Mario

## COMPANY SECRETARY (HONG KONG)

Mr. Wong Hok Bun Mario (*FCPA*)

## REGISTERED OFFICE

Fumin Village, Sidaowanzi Town,  
Aohan County, Chifeng,  
Inner Mongolia Autonomous Region  
The People's Republic of China

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

A7 Xiaojing, Wanfeng Road  
Fengtai District,  
Beijing, The People's Republic of China



# CORPORATE INFORMATION

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1905, 19th Floor, China Resources Building,  
26 Harbour Road, Wanchai, Hong Kong

## LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

DLA Piper Hong Kong  
25th Floor  
Three Exchange Square  
8 Connaught Place  
Central  
Hong Kong

## COMPLIANCE ADVISOR

Goldlink Capital (Corporate Finance) Limited  
28/F, Bank of East Asia  
Harbour View Centre  
56 Gloucester Road  
Wanchai  
Hong Kong

## AUDITOR

PRC Auditor:  
Ernst & Young Hua Ming LLP

## HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

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

## WEBSITE

[www.cfgold.com](http://www.cfgold.com)

## STOCK CODE

Hong Kong Stock Exchange: 6693  
Shanghai Stock Exchange: 600988

## PRINCIPAL BANKS

China CITIC Bank Chifeng Branch  
Industrial and Commercial Bank of  
China Chifeng Branch  
China Construction Bank Corporation  
Chifeng Ninglan Road Sub-branch  
Agricultural Bank of China Limited Beijing  
Chaoyang Road North Sub-branch  
China Everbright Bank Co., Ltd. Hohhot Branch  
Industrial Bank Co., Ltd. Hohhot Branch  
China Merchants Bank Hohhot Branch

# FIVE YEAR FINANCIAL SUMMARY

In this annual report, unless otherwise stated, monetary units are denominated in Renminbi ("RMB")

Financial statements for 2020-2024 are prepared under the CASBE and relevant regulations:

## Results

For the year ended 31 December

RMB

	2024	2023	2022	2021	2020
<b>Revenue</b>	<b>9,025,821,822.22</b>	7,220,951,536.26	6,266,787,257.00	3,782,624,088.21	4,558,188,911.41
Less: Cost of sales	<b>5,068,770,478.41</b>	4,868,615,073.33	4,471,727,585.61	2,524,488,293.08	3,153,088,770.15
Taxes and surcharges	<b>473,039,848.61</b>	389,017,743.62	283,984,264.09	157,752,854.49	143,383,890.48
Selling expenses	<b>348,745.14</b>	689,058.34	720,336.20	777,443.88	15,213,245.12
Administrative expenses	<b>492,286,721.36</b>	461,372,054.59	502,383,714.19	235,281,731.89	325,512,712.46
Research and development expenses	<b>63,615,898.70</b>	51,752,511.95	27,651,940.43	24,846,569.86	74,050,069.38
Finance costs	<b>155,363,874.45</b>	193,139,295.18	137,303,927.76	-87,287,989.68	-85,718,240.94
Add: Other income	<b>2,649,096.76</b>	17,259,581.15	4,440,110.35	1,529,537.61	17,162,515.34
Investment income	<b>78,893,850.40</b>	13,500,965.81	61,558,916.59	14,147,606.20	91,941,057.97
Including: Share of profits of associates and joint ventures	<b>7,194,112.43</b>	9,949,884.57	-4,104,412.39	-10,849.79	-
Losses on changes in fair value	<b>-26,345,013.94</b>	-71,343,155.46	-11,913,594.16	-1,696,303.56	-20,640,879.00
Credit impairment gains/(losses)	<b>1,666,368.75</b>	-2,440,041.07	-643,761.12	-1,983,887.29	3,895,522.52
Impairment losses on assets	<b>-4,897,057.61</b>	-3,515,914.93	-41,722,617.28	-191,614,760.31	-17,193,109.18
Losses on disposal of non-current assets	<b>-51,568.59</b>	-1,752,179.77	-2,453,353.91	-341,083.51	7,753,236.33
<b>Operating profit</b>	<b>2,824,311,931.32</b>	1,208,075,054.98	852,281,189.19	746,806,293.83	1,015,576,808.74
Add: Non-operating income	<b>1,035,053.08</b>	1,148,042.18	8,137,029.15	42,113,881.16	444,073.43
Less: Non-operating expenses	<b>5,944,891.02</b>	2,966,125.01	38,265,106.79	17,911,836.87	9,671,657.06
<b>Profit before tax</b>	<b>2,819,402,093.38</b>	1,206,256,972.15	822,153,111.55	771,008,338.12	1,006,349,225.11
Less: Income tax expenses	<b>833,437,504.30</b>	335,209,980.20	328,132,229.57	156,966,634.90	182,758,183.04
<b>Net profit</b>	<b>1,985,964,589.08</b>	871,046,991.95	494,020,881.98	614,041,703.22	823,591,042.07
<b>Attributable to owners of the parent</b>	<b>1,764,339,650.99</b>	803,933,636.60	451,115,399.07	582,582,242.45	784,024,812.51
<b>Attributable to non-controlling interests</b>	<b>221,624,938.09</b>	67,113,355.35	42,905,482.91	31,459,460.77	39,566,229.56
<b>Other comprehensive income, net of tax</b>	<b>108,863,230.64</b>	109,453,224.65	559,377,090.26	-55,527,071.49	-157,217,264.45
<b>Total comprehensive income</b>	<b>2,094,827,819.72</b>	980,500,216.60	1,053,397,972.24	558,514,631.73	666,373,777.62
Attributable to:					
Owners of the parent	<b>1,845,341,462.85</b>	882,988,365.62	868,078,858.27	533,240,613.48	642,869,237.66
Non-controlling interests	<b>249,486,356.87</b>	97,511,850.98	185,319,113.97	25,274,018.25	23,504,539.96

# FIVE YEAR FINANCIAL SUMMARY

*In this annual report, unless otherwise stated, monetary units are denominated in Renminbi ("RMB")*

## ASSETS AND LIABILITIES

31 December

RMB

	2024	2023	2022	2021	2020
Total assets	20,328,568,613.12	18,717,792,749.45	17,544,294,456.09	8,053,605,934.24	7,215,822,332.49
Total liabilities	9,605,453,197.04	10,175,584,604.74	10,135,991,558.70	3,052,575,433.26	2,772,674,133.41
Non-controlling interests	2,806,304,380.91	2,390,218,024.04	2,220,733,338.76	380,614,119.43	355,340,101.18
Equity attributable to owners of the parent	7,916,811,035.17	6,151,990,120.67	5,187,569,558.63	4,620,416,381.55	4,087,808,097.90

## CASH FLOW

31 December

	2024	2023	2022	2021	2020
Cash and cash equivalents	2,516,898,967.10	1,274,634,730.02	1,052,544,506.50	1,707,868,389.69	1,176,418,974.34
Current ratio (%)	158.09	131.51	125.29	280.12	328.14
Quick ratio (%)	88.56	64.60	56.26	171.14	253.62
Account receivables turnover (days)	22.25	22.29	11.48	1.61	5.90

The Company was listed on the Main Board of the Stock Exchange on 10 March 2025. The Company has published financial information on the Shanghai Stock Exchange prepared under CASBE since 2020, and therefore the above table sets out the financial highlights for the five accounting years since 2020.

Pursuant to Rules 4.11(c) and 19A.31(4) of the Hong Kong Listing Rules on the Hong Kong Stock Exchange, an issuer (the **"PRC issuer"**) duly incorporated in the PRC as a joint stock company with limited liability and listed on the Hong Kong Stock Exchange may adopt the CASBE to prepare their financial statements, and the annual accounts of the PRC issuer, the primary listing of which is on the Hong Kong Stock Exchange, may be audited by a domestic PRC accounting firm which has been approved by the China Ministry of Finance and the China Securities Regulatory Commission as being suitable to act as an auditor or a reporting accountant for a PRC incorporated company listed in Hong Kong and is a Recognised PIE Auditor (as defined in the Hong Kong Listing Rules) under section 20ZT of the Accounting and Financial Reporting Council Ordinance (Chapter 588, Laws of Hong Kong) (the **"Recognised PIE Auditor Requirement"**) on the condition that the PRC issuer has adopted CASBE for the preparation of its annual financial statements.

## FIVE YEAR FINANCIAL SUMMARY

*In this annual report, unless otherwise stated, monetary units are denominated in Renminbi (“RMB”)*

As disclosed in the Prospectus, the A shares of the Company have been listed on the Shanghai Stock Exchange since April 2004. In accordance with the applicable PRC laws and regulations, the Company has since then adopted CASBE for the purpose of preparing its financial statements. Upon recommendation of the audit committee of the Board and pursuant to the resolutions of the Board on March 29, 2024 and the resolutions of the 2023 annual general meeting of the Company on April 19, 2024 (the “**2023 AGM**”), Ernst & Young Hua Ming LLP (“**EY Hua Ming**”) has been re-appointed as the Company’s auditors for 2024 with a term commencing upon the conclusion of the 2023 AGM until the conclusion of the next annual general meeting of the Company.

Meanwhile, the Company adopted the IFRS to prepare, among others, the consolidated financial statements for the three years ended 31 December 2023 and nine months ended 30 September 2024 contained in the Prospectus whereby Ernst & Young was appointed as the auditor and reporting accountants of the Company for the purpose of the H Share Listing pursuant to the resolutions of the Board on 7 June 2024 and the resolutions of the extraordinary general meeting of the Company on 23 August 2024.

Reference is also made to the announcement of the Company dated 18 March 2025 in relation to the proposed Board meeting on 28 March 2025 to, among others, consider and approve the audited annual results of the Group for the year ended 31 December 2024 (the “**FY2024 Financial Statements**”) and its publication.

Meanwhile, pursuant to Articles 152 and 153 of the articles of association of the Company, the Company shall develop its financial and accounting systems pursuant to the laws, administrative regulations and the requirements of the competent authorities in the PRC, and the Company’s annual and interim reports shall be prepared in accordance with the relevant laws, administrative regulations, departmental rules, and the requirements of the stock exchange(s) where the Company’s shares are listed.

Accordingly, in compliance with the aforesaid legal and regulatory requirements, as well as the resolutions at the 2023 AGM and the requirements under the Articles of Association, the FY2024 Financial Statements will be prepared in accordance with the CASBE and audited by EY Hua Ming, which has confirmed that it satisfies the Recognised PIE Auditor Requirement. The Board considers that the unified adoption and disclosure of financial statements prepared in accordance with the CASBE will, in addition to ensure compliance with the aforesaid requirements, improve work efficiency, reduce compliance costs and audit expenses for the listing of the A Shares and the H Shares on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, respectively, and align the financial information disclosure in both markets, and is in the best interest of the Company and its shareholders as a whole.



## FIVE YEAR FINANCIAL SUMMARY

*In this annual report, unless otherwise stated, monetary units are denominated in Renminbi ("RMB")*

Taking into account of the above and in light of the continuing convergence between the CASBE and the IFRS, the Company is of the view that the adoption of the CASBE, when compared to adoption of the IFRS, to prepare its financial statements will not have a material effect on the financial position, operating results and cash flows of the Group. As confirmed by the Company's PRC legal advisors, in accordance with the applicable PRC laws and regulations as well as the Articles of Association, the Company can adopt the CASBE to prepare the financial statements and disclose the relevant financial information. In order to satisfy the possible demand for the Company's financial information prepared under the IFRS from certain Shareholders and public investors, the Company has prepared a reconciliation table in the "Supplemental Information" of this annual report to illustrate the differences in the Company's FY2024 Financial Statements when prepared under the CASBE and the IFRS. The Board is of the view that the financial conditions and the results of operations of the Group will not be significantly affected by the adoption of the CASBE in preparing the financial statements and the disclosure of such financial statements when compared with the adoption of the IFRS.



# CHAIRMAN'S STATEMENT

Dear Shareholders, investors and friends,

I would like to take this opportunity to express my sincere gratitude to you on behalf of the Board of Directors of Chifeng Gold for your long-term trust and support!

The operational state of Chifeng Gold over the past year is detailed in the annual report. Here I would like to brief you about our backbone team that helped drive the Company's outstanding achievements in 2024, share with you the vision and philosophy upheld by the team, and the incentive measures we have adopted to deliver our vision and goals. I look forward to receiving your continued guidance and support in our future developments.

## I. CREATING AN EFFICIENT AND STABLE BACKBONE TEAM

Our backbone team flexibly adjusts its internal structure to adapt to external changes amidst the uncertainty of the external environment.

- The team adopts a "V formation" organizational approach, constantly adjusting and optimizing the organizational structure in the course of development to ensure a stable and balanced development in different circumstances.
- Despite external challenges, we have maintained steady growth in uncertain market conditions through internal efficiency improvements.
- We promote the concept of "Thriving Under Pressure", encouraging our team to maintain a higher level of insightfulness and a faster pace of growth in an open and changing environment.
- Beyond the pursuit for excellence, perfection, and success, our team is encouraged to seek breakthroughs through continuous growth and adaptation.

## II. UPHOLDING THE CORPORATE PHILOSOPHY OF "TO BENEFIT MORE PEOPLE THROUGH THE DEVELOPMENT OF CHIFENG GOLD"

Chifeng Gold has always been committed to ensuring that Shareholders, management, and employees work together and share achievements, fostering a strong driving synergy for the Company's sustainable and organic growth.

- We believe that the growth of an enterprise is not only the creation of material wealth but also to give life and meaning to business.
- We consistently promote our employee shareholding ownership program, enabling value-creating workers to truly participate in allocation and redistribution of capital gains, thereby stimulating the enterprise's internal growth drivers.

## CHAIRMAN'S STATEMENT

- Our management team is committed to the value of “No Privilege, No Power-derived Gain”, truly achieving a boundaryless and indiscriminate relationship between management and employees, initiating a corporate culture of fair competition.
- Our vision and philosophy are not only the strategic guidance for enterprise development but also the code of conduct jointly practiced by all employees.

### III. ENHANCING THE INCENTIVE MECHANISM BASED ON A “STRIVER-ORIENTED” MANAGEMENT SYSTEM

Mining is a challenging industry, and we are committed to ensuring that those who strive to create value receive greater respect and rewards.

- We continue to expand the employee shareholding ownership program to the frontline workers, allowing those who work hard to truly become beneficiaries of our development.
- The Company prioritizes offering the highest recognition and reward to frontline strivers, demonstrating our respect for and recognition of the value of our employees.
- By focusing on outputs, we strengthen the responsibility and incentives for management to stimulate the initiative and creativity of frontline strivers.
- Through effective incentive mechanisms, we urge our business leadership to become true entrepreneurs, making Chifeng Gold a cradle for nurturing entrepreneurs.

### IV. STAYING COMMITTED TO OUR VISION AND CONTINUOUS STRIVING

Our team does not settle for a mediocre career but pursues an ordinary yet beautiful life.

- Our unwavering belief in the corporate vision allows the team to continuously experience growth and progress in our endeavors.
- We firmly believe that Chifeng Gold will grow into an enterprise better recognized around the world by practising our strong belief that our sustained efforts will make the world a more prosperous and better place.

Thank you for joining Chifeng Gold and never giving up on the pursuit of a better future!

**Chifeng Jilong Gold Mining Co., Ltd.**

**Wang Jianhua**

*Chairman and Executive Director*



UNDERGROUND  
ALL TAGS MUST BE CL

DANGER  
TAG BOARD  
CLOSED

DEEPS EAST  
RGROUND  
BOARD

INDEPENDENT

OUT

SHOTFIRER/

R & R

Info Bo

IN

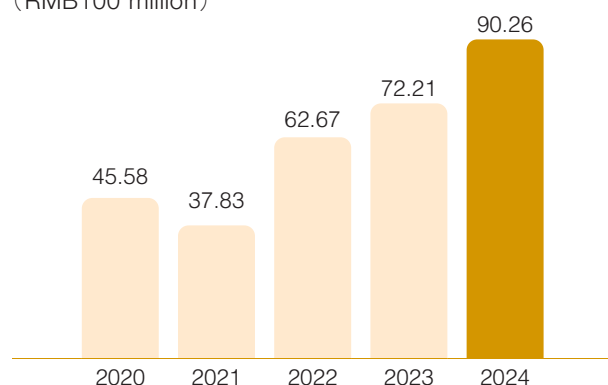




## FINANCIAL HIGHLIGHTS

### Revenue

(RMB100 million)



Revenue for 2024

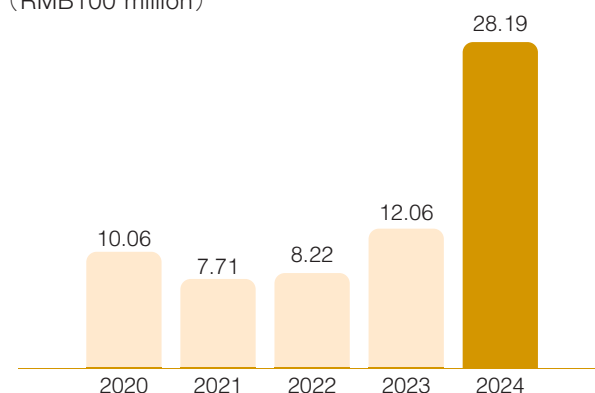
RMB9,026 million

Increase rate of 2024 over 2023

24.99%

### Total profit

(RMB100 million)



Total profit for 2024

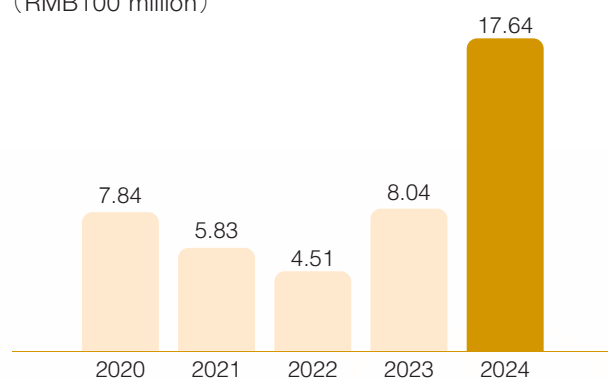
RMB2,819 million

Increase rate of 2024 over 2023

133.73%

### Net profit attributable to the parent company

(RMB100 million)



Net profit attributable to the parent company for 2024

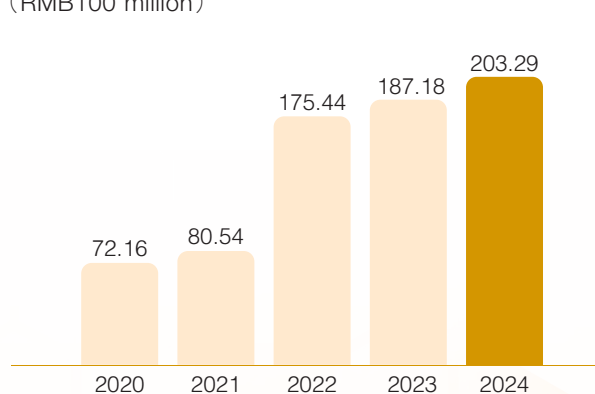
RMB1,764 million

Increase rate of 2024 over 2023

119.46%

### Total assets

(RMB100 million)



Total assets for 2024

RMB20.329 billion

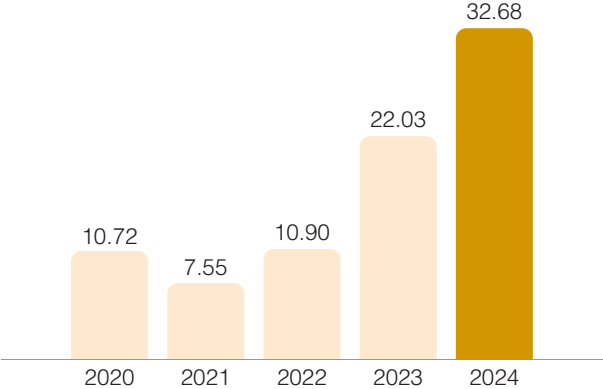
Increase rate of 2024 over 2023

8.61%

# FINANCIAL HIGHLIGHTS

## Operating cash flows

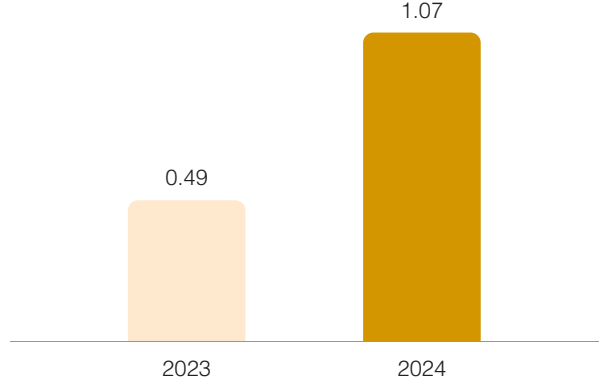
(RMB100 million)



Operating cash flows for 2024  
RMB3,268 million  
Increase rate of 2024 over 2023  
48.36%

## Basic earning per share

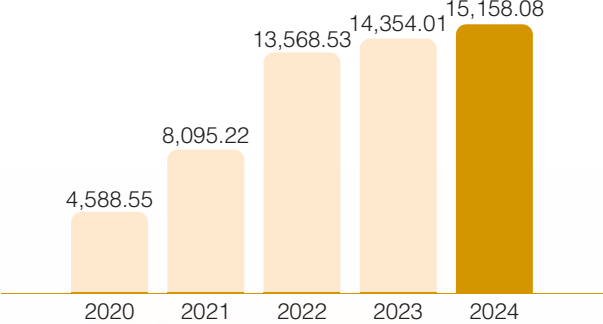
(RMB/share)



Basic earnings per share for 2024  
RMB1.07/share  
Year-on-year  
118.37%

## Gold production volume

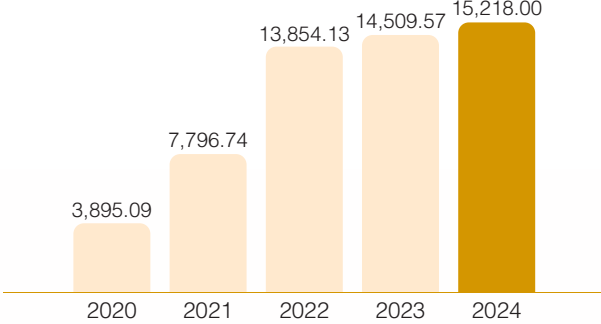
(kg)



Gold production volume for 2024  
15,158.08 kg  
Increase rate of 2024 over 2023  
5.60%

## Gold sales volume

(kg)



Gold sales volume for 2024  
15,218.00 kg  
Increase rate of 2024 over 2023  
4.88%







# BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## BOARD OF DIRECTORS

Our Board currently consists of nine Directors, including four Executive Directors, one Non-executive Director and four Independent Non-executive Directors. The Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term in office.

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

#### WANG JIANHUA (CHAIRMAN)

**Mr. Wang Jianhua (王建华)**, aged 69, is the Chairman of the Board and Executive Director of our Group. Chairman Wang is primarily responsible for the overall strategic planning, business direction, and operational management of our Company. Chairman Wang joined our Group in September 2018.

Chairman Wang has extensive experience in the mining industry and is one of the first generation of industry leaders advocating for eco-mining and large-scale mining in the PRC. Having proactively participated in various roles in the industry throughout his tenure, Chairman Wang has accumulated the wealth of experience and skills for the overall operational management and strategic planning to promote the growth of our Company. Upon joining our Group, Chairman Wang successively held leadership roles as the Director of our Company from September 2018 to December 2019, Chairman of the Board of our Company since December 2019, and Chief Executive Officer of our Company from January 2022 to December 2022, respectively. Prior to joining our Group, Chairman Wang served in key roles at numerous renowned mineral companies. Chairman Wang was the Chairman of the board of directors of Shandong Gold Group Company Limited (山東黃金集團有限公司) from February 2006 to March 2013. Chairman Wang has also been an Executive Director and President of Zijin Mining Group Company Limited (紫金礦業集團股份有限公司) ("**Zijin Mining**"), a company dually listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2899) and Shanghai Stock Exchange (stock code: 601899) from October 2013 to December 2016 and from June 2013 to December 2016, respectively. Chairman Wang also held the position of the Chairman of Yunan Baiyao Holdings Company Limited (雲南白藥控股有限公司) from April 2017 to May 2018.

Chairman Wang has been a forerunner for his technical achievements within the industry. In 2010, he brought Shandong Gold Group Company Limited to new heights by achieving an unprecedented drilling depth of over 4,000 metres within the nation. Further, Chairman Wang's vision for overseas expansion is exemplified by Zijin Mining's successful investment in the Kamoa-Kakula Copper Mine, a world-class and large-scale stratiform copper deposit in the Central African Copperbelt region, during his tenure.

Chairman Wang received a Master of Business Administration Degree from Nankai University in the PRC in December 2005. Chairman Wang also received a Master of Business Administration Degree from the China Europe International Business School in the PRC in October 2013. Chairman Wang obtained the qualification of a senior economist in 2001.

## BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### YANG YI-FANG

**Ms. Yang Yi-fang (楊宜方)** (also known as Lydia Yang), aged 48, is an Executive Director and the Chief Executive Officer of our Group. Ms. Yang is mainly responsible for overall execution of our development strategy, daily operation, business development and financial management of our Group. Ms. Yang joined our Group in April 2019.

Ms. Yang is an entrepreneur who embraces challenges and has nearly 20 years of experience in the global mining industry. Ms. Yang's attention to detail, prowess in skillful execution and wealth of expertise in strategic planning, corporate development, global mergers and acquisitions, management of overseas listed corporations and mine projects showcase an acute ability to generate value-generating solutions. Upon joining our Group, Ms. Yang has been serving as a Director of Chijin HK since April 2019. Ms. Yang has served as the Director of our Group from July 2022 and the Chief Executive Officer of Chifeng Gold since January 2023. Prior to joining our Group, Ms. Yang served as a Deputy General Manager of Gold Mountains (H.K.) International Mining Company Limited (金山(香港)國際礦業有限公司) and a Deputy General Manager of the International Department of Zijin Mining from July 2007 to September 2010. Ms. Yang first served as the Head of Business Development Department of CST Mining ("**CST Mining**"), a company previously listed on the Main Board of the Hong Kong Stock Exchange until December 2023 (stock code: 0985) from October 2010 to October 2011. She served as the Chief Executive Officer of CST Mining since September 2011 and concurrently served as an Executive Director of the company from October 2011 until her departure in January 2013. From May 2013 to April 2016, Ms. Yang served in the management positions in various companies of Zijin Mining, including as the Chairperson of Xiamen Zijin Tongguan Investment Development Company Limited (廈門紫金銅冠投資發展有限公司), the Director and General Manager of Gold Mountains International Mining Company Limited, and the assistant to the Chairman of Zijin Mining. During June 2018 to April 2020, Ms. Yang served as an Executive Director and President at Hengxing Gold Holding Company Limited (恆興黃金控股股份有限公司), a company previously listed on the Main Board of the Hong Kong Stock Exchange until February 2020 (stock code: 2303) until it was acquired by Shandong Gold for around HK\$3 billion.

Furthermore, Ms. Yang has significant operational experience from managing mines, including, for example, mines in the PRC, and CST Mining's Lady Annie Copper Mine in Australia and Mina Justa Copper Project in Peru. Aside from her wealth of managerial and operational experience, Ms. Yang's significant international, transactional and capital markets experience include, for example, being a driving force in a series of major deals while at CST Mining and Zijin Mining, including CST Mining's sale of the Mina Justa Copper Project in Peru for USD505 million to a subsidiary of Minsur S.A. — one of the largest transactions in that year; Minsur was at the time the world's fourth largest tin producer and Peru's largest tin miner by tonnage.

Ms. Yang received a Bachelor of Arts degree from Tamkang University in Taiwan in June 2000.

## BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### LYU XIAOZHAO

**Mr. Lyu Xiaozhao (呂曉兆)** (former name: Lu Xiaozhao), aged 61, is an Executive Director, Vice President, and Chief Engineer of our Group. Mr. Lyu is responsible for overseeing the engineering and technical management and business development of our Group. Mr. Lyu joined our Group in December 2012.

After successfully leading our Company's Major Asset Restructuring in 2012, Mr. Lyu successively served as a Director and General Manager of Jilong Mining from December 2012 to August 2013, the General Manager of our Company from December 2012 to February 2016, the Chairman of the Board of our Company from February 2016 to December 2019, the Deputy Chairman of the Board and Chief Executive Officer of our Group from December 2019 to January 2022 and the Co-chairman of the Board of our Company from January 2022 to September 2023, respectively. Since September 2023, Mr. Lyu served as the Executive Director, Vice President and Chief Engineer of the Group. Prior to joining our group, Mr. Lyu successively served as a Deputy Party Secretary, Executive Director, Deputy General Manager, and a member of the strategic committee of Lingbao Gold Group Company Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3330), from September 2002 to March 2011.

Mr. Lyu has since December 2019 served as a Vice President of the China Gold Association (中國黃金協會) Vice Director of the Mining Geology Professional Committee of the Geological Society of China (中國地質學會 礦山地質專業委員會) since December 2011 and as member of the National Technical Committee on Gold of Standardization Administration of China (全國黃金標準化技術委員會) since May 2008.

Mr. Lyu completed the postgraduate course in political economics (政治經濟學專業研究生) from Shaanxi Normal University (陝西師範大學) in the PRC in July 2004 and the course on Business Management for Executives (工商管理總裁研修班) from the Tsinghua University Corporation Cooperation Committee (清華大學與企業合作委員會) in the PRC in September 2003, and a Master of Business Administration Degree from the University of Northern Virginia in the United States of America in December 2007. Mr. Lyu obtained qualification of a Senior Mining Engineer from the Sinosteel Corporation in August 2006, a Certified Senior Consultant from the Association for Science and Technology Consulting of Henan Province (河南省科技諮詢業協會) in June 2005, and a Certified CPM China Professional Manager from the Human Resources Development Association of China (中國人力資源開發研究會) in October 2010.



## BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### GAO BO

**Mr. Gao Bo (高波)**, aged 56, is an Executive Director and Vice President of our Group. Mr. Gao is responsible for overseeing the operations and management of the Sepon Gold and Copper Mine. Mr. Gao joined our Group in December 2012.

Mr. Gao worked as a Director and Deputy General Manager of Jilong Mining from December 2010 to August 2013. Mr. Gao was a Director and Deputy General Manager of our Company from December 2012 to February 2016 and served as a Director and General Manager of our Company from February 2016 to January 2020. Mr. Gao then was a Director and Executive President of our Company from January 2020 to January 2023, and a Director and Vice President of our Company from January 2023 onwards.

Mr. Gao received a Bachelor of Business Administration degree in the Northeastern University (東北大學) in the PRC by way of online learning in January 2019, and a Master of Business Administration Degree from the Jilin University (吉林大學) in the PRC in December 2011. Mr. Gao obtained the qualification of a senior economist from the Bureau of Human Resources and Social Security of Jilin Province (吉林省人力資源和社會保障廳) in January 2013.



## BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### NON-EXECUTIVE DIRECTOR

#### ZHANG XUDONG

**Mr. Zhang Xudong (張旭東)**, aged 59, is currently a Non-executive Director of our Group. Mr. Zhang joined the Board in February 2020 as an Independent Director until January 2022. Mr. Zhang is mainly responsible for providing guidance and advice to the Board on the corporate and business strategies and strategic investments.

Mr. Zhang, a distinguished leader with nearly 40 years of experience in the financial services industry, has served in a series of senior management roles at renowned global investment firms and listed companies in Hong Kong and other jurisdictions. Illustratively, Mr. Zhang was Global Partner and Head of Greater China Securities and was a member of the China Management Committee at Goldman Sachs from September 2009 to December 2012.

Earlier in Mr. Zhang's illustrious career he was a Private Placement Service Analyst in New England Mutual Life Insurance Company from October 1990 to June 1994. Subsequently, from July 1994 to September 1996, Mr. Zhang worked as Vice President of the Corporate Finance Department of BankBoston N.A. From September 1996 to July 1998, Mr. Zhang served as Managing Director of the Corporate Finance Department and Chief Financial Officer of Asia Pacific Region in Koch Industries, Inc. — one of the largest and most prominent private companies in the United States — where he helped the company expand its operations in Asia Pacific. From 1999 to 2007, Mr. Zhang was Chairman and CEO of Anjia Group/Shanghai Anjia Investment Management Co., Ltd, an investment advisory and asset management services firm. From March 2007 to August 2009, Mr. Zhang served as Managing Director and Head of the Institutional Client Group, Debt and Equity for China and Head of Global Markets Equity for China at Deutsche Bank AG, a German multi-national investment bank and financial services company which is dual-listed on the Frankfurt Stock Exchange (symbol: DBK) and the New York Stock Exchange (symbol: DB), in Hong Kong. From January 2017 to November 2022, Mr. Zhang served as an Independent Director of Ping An Securities Company Limited (平安證券股份有限公司), which is a part of the Ping An Group, a large integrated financial group in China. Furthermore, since September 2018 Mr. Zhang has been serving as Chairman and Chief Executive Officer of Hua Kong Tsing Jiao Information Science (Beijing) Company Limited (華控清交信息科技(北京)有限公司), a data science company established by Tsinghua University that focuses on the research, development and implementation of data joint computation security technologies, products and infrastructures based on modern cryptography.



## BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

In addition, Mr. Zhang has served in various positions of trust, including serving on the Advisory Board of Shanghai Jiao Tong University, Antai College of Economics and Management, was appointed an Advisor for the China Securities Regulation Committee in 2003, was engaged by China Development Bank as advisor of securitization in the year 2004.

From February 2018 to November 2024, Mr. Zhang served as an Independent Non – executive Director of Lufax Holding Limited (陆金所控股公司), which is dual-listed on the New York Stock Exchange (symbol: LU) and on the Main Board of the Hong Kong Stock Exchange (stock code: 6623). Lufax Holding Limited is a leading financial service empowering institution for small and micro businesses in China and is an associate firm of the Ping An Group.

Mr. Zhang served as an independent non-executive director of Up Energy Development Group Limited (“**Up Energy**”) from September 2015 to June 2016. Up Energy is a limited company incorporated in Bermuda and formerly listed on the Stock Exchange (former stock code: 307) until January 2022. Up Energy together with its subsidiaries was principally engaged in the mining of coking coal, production and sales of raw coking coal, clean coking coal, and coking and chemicals products in the PRC. A winding up petition was filed against Up Energy in Hong Kong and Bermuda in March 2016 and May 2016 for the repayment of debt. Up Energy was subsequently delisted from the Stock Exchange in January 2022. The Hong Kong court issued a winding up order against Up Energy in May 2022. Mr. Zhang has confirmed that (i) he was not involved in the day-to-day management of Up Energy; (ii) there was no wrongful act on his part leading to the winding up proceedings of Up Energy; and (iii) he is not aware of any actual or potential claim that has been or would be made against him as a result of such winding up proceedings.

Mr. Zhang received his Master’s Degree in Community Economic Development from Southern New Hampshire University (formerly known as New Hampshire College) in September 1990.



## BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### MAO JINGWEN

**Dr. Mao Jingwen (毛景文)**, aged 68, has since January 2022 been an Independent Non-executive Director of our Group responsible for supervising and providing independent advice to the Board. Since November 2017, Dr. Mao has been an academician at the Chinese Academy of Engineering (中國工程院).

Dr. Mao has dedicated his life to the study on mineral deposit model and metallogeny as well as mineral prospecting. Dr. Mao has made significant contributions to the breakthroughs in prospecting for concealed orebody in the PRC. Prior to joining our Group, Dr. Mao was the lecturer at the Department of Geological Exploration of Shanxi Mining Institute from 1978 to 1979. Dr. Mao then served successively as an Assistant Researcher, an Engineer and an Associate Researcher at the Institute of Mineral Resources under the Chinese Academy of Geological Sciences (中國地質科學院礦產資源研究所) from 1983 to 1992.

Dr. Mao has been serving as a researcher at the Institute of Mineral Resources under the Chinese Academy of Geological Sciences (中國地質科學院礦產資源研究所) since December 1992. Dr. Mao is also serving as the Independent Non-executive Director of Shenghe Resources Holding (盛和資源控股股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600392) from April 2019 to December 2023, the Independent Non-executive Director of CITIC Metal Company Limited (中信金屬股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601061) since July 2021, and the Independent Non-executive Director of Zijin Mining Group Company Limited.

Dr. Mao received a Bachelor's Degree in Mineral Deposits from Hebei GEO University (河北地質學院) in the PRC in 1978. Dr. Mao then received a Master's Degree in Mineral Deposits from the Chinese Academy of Geological Sciences (中國地質科學院研究生院) in 1982 in the PRC. Dr. Mao received a Doctorate Degree from the Graduate School of the Chinese Academy of Geological Sciences (中國地質科學院研究生院) in the PRC in 1988. Dr. Mao was awarded the Second Class Award of State Science and Technology Progress (國家科學技術進步二等獎) in 2008, Second Class Award of State Science and Technology Progress (國家科學技術進步二等獎) in 2012, Second Class Award of State Natural Science (國家自然科學二等獎) in 2016, and Second Class Award of State Natural Science (國家自然科學二等獎) in 2020.



# BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## SHEN ZHENGCHANG

**Dr. Shen Zhengchang (沈政昌)**, aged 64, is an Independent Non-executive Director of our Group and is responsible for supervising and providing independent advice to the Board. Dr. Shen, an academician at the Chinese Academy of Engineering (中國工程院), joined our Group in January 2022.

Dr. Shen has over 40 years of experience engaging in technical research, design, and engineering of selection and metallurgical process technology. From August 1982 to July 2019, Dr. Shen held positions as an Assistant Engineer, Engineer, Senior Engineer, Director of the Flotation Division, and Deputy Chief Engineer of BGRIMM Technology Group Company Limited (北京礦冶研究總院). Dr. Shen has successively served as the Chief Expert and Chief Scientist of BGRIMM Technology Group Company Limited (礦冶科技集團有限公司) since August 2019.

Dr. Shen received a Bachelor's Degree in mining machinery from the Beijing Institute of Iron and Steel Engineering (北京鋼鐵學院) (currently known as the University of Science and Technology Beijing (北京科技大學)) in 1982 in the PRC. Dr. Shen then received a Master's Degree in mineral processing from Central South University of Technology (中南工業大學) in 1995 in the PRC. Dr. Shen received a Doctorate Degree from the University of Science and Technology Beijing (北京科技大學) in 2008 in the PRC. Dr. Shen was awarded the Third Class Award of State Technological Invention (國家技術發明獎三等獎) in 1995, Second Class Award of State Scientific and Technological Progress (國家科學技術進步獎二等獎) in 2000, Second Class Award of State Scientific and Technological Progress (國家科學技術進步獎二等獎) in 2001, and Second Class Award of State Scientific and Technological Progress (國家科學技術進步獎二等獎) in 2012.

## HU NAILIAN

**Mr. Hu Nailian (胡乃連)** (former name: 胡乃聯), aged 69, is an Independent Non-executive Director of our Group and is responsible for supervising and providing independent advice to the Board. Mr. Hu joined our Group in January 2022.

Mr. Hu is primarily engaged in teaching and researching within the realm of mining systems engineering, mine informationization and intelligent mines, mining technology and economics and others. Mr. Hu held academic positions as a Director of the Research Institute, head of the Department of Resource Engineering, and Deputy Dean of the School of Civil and Resource Engineering of the University of Science and Technology Beijing (北京科技大學) from 1996 to 2017, respectively.

Mr. Hu received a Bachelor's Degree in Mining Engineering and a Master's Degree in Engineering from the Beijing Institute of Iron and Steel Engineering in January 1982 and December 1985 in the PRC.

## BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### WONG YET PING, AMBROSE

**Dr. Wong Yet Ping, Ambrose (黃一平)**, aged 45, is an Independent Non-executive Director of our Group and is responsible for supervising and providing independent advice to the Board. Dr. Wong joined our Group in August 2024.

Dr. Wong has a strong expertise and experience in finance, audit and risk management. Dr. Wong was part of the Audit department at KPMG China from August 2002 to October 2007, before taking on the role of the Vice President of Risk Analysis, Commercial Business Division of the Hong Kong and Shanghai Banking Corporation Limited from November 2007 to May 2009. Subsequently, he served at the Standard Setting Department of the Hong Kong Institute of Certified Public Accountants from May 2009 to February 2015, holding the position of Associate Director at the time of his departure. He served at KPMG China from March 2015 to January 2020 and was the Director of its Quality and Risk Management Department when he left the firm. He then assumed the position of departmental director at a regulatory authority in Hong Kong from January 2020 until August 2023. Since October 2023, he has also been serving as the Principal of Linkpath CPA Limited.

At present, Dr. Wong is a certified public accountant and a Fellow Member of the Hong Kong Institute of Certified Public Accountants since July 2009 and March 2017 respectively, and a certified public accountant of CPA Australia since December 2005.

Dr. Wong received a Bachelor's Degree in commerce from the University of Melbourne in Australia in December 2001, a Doctorate Degree in Business Administration in the Hong Kong Polytechnic University in October 2023.

Reference is made to the announcement of the Company dated 24 March 2025 in relation to, among other things, the Company received the Decision on Issuing Warning Letter Measures to Chifeng Jilong Gold Mining Co., Ltd. and Relevant Responsible Persons ([2025] No. 10 Decision Letter on Administrative Regulatory Measures) (《關於對赤峰吉隆黃金礦業股份有限公司及相關責任人員採取出具警示函措施的決定》([2025]10 號行政監管措施決定書)) (the “**Decision Letter**”) issued by the Inner Mongolia Bureau (the “**Securities Regulatory Bureau of Inner Mongolia**”) of the China Securities Regulatory Commission (“**CSRC**”) to the Company, its directors (the “**Directors**”), namely Mr. Wang Jianhua and Ms. Yang Yi-fang (who also serves as the Company's President), and the secretary of the board (the “**Board**”) of Directors, namely Mr. Dong Shubao.

According to the Decision Letter, Jilin Hanfeng Mining Technology Co., Ltd., a wholly-owned subsidiary of the Company, suspended production for two months in the first quarter of 2023 due to the renovation of production facilities. The Company failed to disclose such information in a timely manner, delaying its disclosure until the release of the 2023 First Quarter Report on April 30, 2023 (the “**Incident**”).

The Incident violated the relevant provisions of the Measures for the Administration of Information Disclosure by Listed Companies (Zheng Jian Hui Ling No. 182). Mr. Wang Jianhua, the chairman of the Board; Ms. Yang Yi-fang, the general manager; and Mr. Dong Shubao, the Board secretary, failed to fulfill their diligent and responsible obligations in accordance with the relevant provisions of the Measures for the Administration of Information Disclosure by Listed Companies and were mainly responsible for the Incident.



## BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

According to Article 52 of the Measures for the Administration of Information Disclosure by Listed Companies, the Securities Regulatory Bureau of Inner Mongolia decided to take the administrative regulatory measure by issuing a warning letter to the Company and the above-mentioned persons, which will be recorded in the integrity file of the securities and futures market. The Company and the above-mentioned persons should strengthen their studies of the laws and regulations, improve the level of the standardized operations of the Company, prevent the reoccurrence of such violations, and submit a written report to the Securities Regulatory Bureau of Inner Mongolia within 30 days from the receipt of the Decision Letter.

Based on the information available to the Company, the above matters have no material adverse impact on the business operations and financial position of the Group. In accordance with the requirements of the Decision Letter, the Company will organize and urge relevant personnel to conscientiously study relevant laws, regulations and normative documents, fulfill their diligence obligations, continuously improve the level of standardized operations and the quality of information disclosure, and submit written rectification reports to the Securities Regulatory Bureau of Inner Mongolia in a timely manner.

Each of Mr. Wang, Ms. Yang and Mr. Dong has confirmed to the Company that, save as disclosed in this announcement, there is no information relating to them which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to them that need to be brought to the attention of the shareholders of the Company.

According to the views of the Company's PRC legal advisor, each of Mr. Wang's and Ms. Yang's eligibility as director, supervisor or senior management of a PRC-incorporated company (including a company listed on the Shanghai Stock Exchange) are not prejudiced in any way as a result of the Decision Letter. According to the PRC Company Law, there are seven circumstances that would affect a person's eligibility for appointment of directors, supervisors and senior management. The Company's PRC legal advisor confirmed that the Decision Letter does not fall into any of the aforementioned circumstances. Meanwhile, according to the Measures for Implementing the Regulatory Measures for the Securities and Futures Markets (for Trial Implementation) (《證券期貨市場監督管理措施實施辦法(試行)》) (the "**Measures**"), the Decision Letter was neither an administrative penalty by the Bureau or the CSRC nor a disciplinary action imposed by the Shanghai Stock Exchange.

According to the Measures, the issuance of the warning letter by the authority is an administrative supervisory measure that the implementation agency informs the party concerned in written form of the relevant risk status or facts of illegal acts, warns it to pay attention to the business risks and requires it to take remedial measures in a timely manner. Accordingly, the purpose of the issuance of the Decision Letter was to remind the Company and the relevant directors and/or senior management to pay attention to the business risks associated with the Incident, and not to penalize the addressees of the Decision Letter. No administrative penalty was imposed on the Company, Mr. Wang or Ms. Yang, and each of Mr. Wang and Ms. Yang remained to be qualified to serve as a Director of the Company.

After the Incident, there had been enhanced internal control measures in place to address and aim to prevent the recurrence of the issues pertaining to the Incident. In light of the aforementioned, the Company is of the view that Mr. Wang and Ms. Yang remains suitable to serve as Directors of the Company.

## BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### SUPERVISORY COMMITTEE

#### CHENG ZHENLONG

**Mr. Cheng Zhenlong (成振龍)**, aged 58, has been a Supervisor of our Group since January 2022 and the Chairman of the Supervisory Committee of our Group since December 2022, respectively. Mr. Cheng is primarily responsible for supervising the Board and daily operation of our Group.

Mr. Cheng joined our Group in December 2012. Mr. Cheng served as Deputy General Manager and subsequently of General Manager of Jilong Mining from September 2013 to December 2022.

Mr. Cheng received a Bachelor's Degree in Mining Engineering from Shangdong Mining Institute (山東礦業學院) in July 1993. Mr. Cheng obtained qualification of Intermediate Mining Engineer from the Bureau of Human Resources and Social Security of Chifeng (赤峰市人力資源社會保障局) in December 2022.

#### JI HONGYONG

**Mr. Ji Hongyong (季紅勇)**, aged 50, has been a Supervisor of our Group since January 2022 and is responsible for supervising the Board and daily operation of our Group. In addition to a supervisorship held with our Company, he was the General Manager of Hanfeng Mining from January 2023 to December 2023 and became the General Manager of Huatai Mining since January 2024.

Mr. Ji joined our Group in March 2017. Upon joining our Group, Mr. Ji served as General Manager of Wulong Mining from April 2017 to December 2021. Mr. Ji also served as a Deputy Manager of the domestic mining department of our Company from July 2019 to January 2022. Mr. Ji served as General Manager of Hangfeng Mining from January 2023 to December 2023. Prior to joining our Group, Mr. Ji served as General Manager in Huinan Huibao Gold Mining Company Limited (輝南縣匯寶黃金礦業有限公司) from April 2013 to March 2017.

Mr. Ji received a Bachelor of Business Administration Degree from Beihua University (北華大學) in the PRC by way of online learning in July 2010. Mr. Ji obtained qualification of a Senior Mining Technician from the Ministry of Human Resources and Social Security of the PRC in September 2013 and an Economist from the Ministry of Human Resources and Social Security of the PRC in November 2013.

#### LIU FENGWU

**Mr. Liu Fengwu (劉鳳伍)**, aged 50, has been an Employee Representative Supervisor of our Group since January 2024. In addition to a supervisorship held with our Company, Mr. Liu has been serving as the Deputy Head of the Environmental Protection Safety Department and the Ventilation Engineer of Jilong Mining since February 2017 upon joining our Group.

Mr. Liu completed a course in mining machinery (礦山機電) in Inner Mongolia University of Science & Technology Mining College (內蒙古科技大學煤炭學院 (formerly known as 內蒙古煤炭工業學校) in the PRC in 1993. Mr. Liu obtained qualification of an Intermediate Mining Engineer from the Personnel Department of the Inner Mongolia Autonomous Region in September 2004 and an Intermediate Electromechanical Engineer from Bureau of Human Resources and Social Security of Chifeng in November 2012.





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# BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## SENIOR MANAGEMENT

### CHIEF EXECUTIVE OFFICER

#### **YANG YI-FANG**

### VICE PRESIDENT AND CHIEF ENGINEER

#### **LYU XIAOZHAO**

### VICE PRESIDENT

#### **GAO BO**

For biographical details of Ms. Yang Yi-fang, Mr. Lyu Xiaozhao and Mr. Gao Bo, see “Board of Directors — Executive Directors” in this section. The details of each of the other senior management members are set out below.

### VICE PRESIDENT

#### **CHEN ZHIYONG**

**Mr. Chen Zhiyong (陳志勇)**, aged 51, joined our Group in August 2018 and was appointed as the Vice President of our Group since September 2023. Mr. Chen is responsible for overseeing the governance and corporate affairs of Golden Star Resources and stakeholder relations and centralised procurement of GSWL.

Upon joining our Group, Mr. Chen has been serving as a Deputy General Manager of the international mining division of our Group and Director and Deputy General Manager of LXML from August 2018 to January 2021. Mr. Chen served as the Vice President of our Group from January 2021 to January 2022. From January 2022 to September 2023, he served as the Executive Director and Chief Executive Officer of our Group. Since September 2023, Mr. Chen served as Vice President of our Group. Prior to joining our Group, Mr. Chen served as a Deputy General Manager of Soremi Investment Company Limited (索瑞米投資有限公司), a subsidiary company of Zhongjin Gold Corp Limited (中金黃金股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600489)), from February 2014 to August 2018.

Mr. Chen received a Bachelor's Degree in Engineering from Hunan University (湖南大學) in 1996, and dual Master of Business Administration Degrees from Peking University in the PRC and National University of Singapore in Singapore in 2003.

# BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## VICE PRESIDENT, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

### WONG HOK BUN MARIO

**Mr. Wong Hok Bun Mario (黃學斌)**, aged 46, joined our Group in July 2023 and was appointed as the Chief Financial Officer in July 2023 and the Vice President of our Group in September 2023. In addition, Mr. Wong serves as the Company Secretary of our Company. Mr. Wong is primarily responsible for overseeing the finance and accounting matters and financial reporting of our Group.

Mr. Wong has 23 years of experience in auditing, accounting, financial management, and corporate finance. Prior to joining our Group, he worked at Zijin Mining as a Deputy Manager of the Finance Department from September 2008 to December 2010 and served as the Financial Controller and the Company Secretary of its associated company Monterrico Metals Plc. He then served as the Group Financial Controller of CST Mining from December 2010 to July 2014. He also served consecutively as the Vice President from March 2015 to December 2015, the Company Secretary from July 2015 to August 2018, the Executive Director and the Chief Financial Officer from December 2015 to August 2018 of Theme International Holdings Limited (榮暉國際集團有限公司), a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0990). Mr. Wong then served as the Chief Financial Officer of Jinchuan Group International Resources Company Limited (金川集團國際資源有限公司), a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2362), from November 2018 to July 2023 and Company Secretary from September 2018 to July 2023. Concurrently, Mr. Wong served as an Independent Non-executive Director of Good Resources Holdings Limited, a company previously listed on the Main Board of the Hong Kong Stock Exchange until May 2022 (stock code: 0109) from May 2017 to June 2022. Since 6 December 2024, Mr. Wong has been appointed as an independent non-executive director of Theme International Holdings Limited.

Mr. Wong received a Bachelor's Degree in Economics and Finance from the University of Hong Kong in November 2001. He has been a Fellow Member of the Hong Kong Institute of Certified Public Accountants since July 2005, a Chartered Financial Analyst since December 2008 and a Member of The Australasian Institute of Mining and Metallurgy since May 2015.



## BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### VICE PRESIDENT

#### ZHOU XINBING

**Mr. Zhou Xinbing (周新兵)**, aged 48, joined our Group in December 2012 and was appointed as the Vice President of our Group in January 2023. Mr. Zhou currently serves as Vice President of LXML, where he is responsible for overseeing the procurement, finance and human resources of, and supporting the mine clinic of, LXML at the PRC headquarters.

Mr. Zhou successively served as a Manager of the Securities and Legal Department of Jilong Mining, Manager of Legal Department and Representative of Securities Affairs of our Group from October 2010 to April 2013. Mr. Zhou then served as a Board Secretary of our Group from April 2013 to January 2022. Mr. Zhou then worked as an Executive President of our Group from January 2022 to January 2023. Since January 2023, Mr. Zhou served as the Group's Vice President.

Mr. Zhou received a Bachelor of Law Degree from Renmin University in the PRC in June 2011. Mr. Zhou obtained the qualifications to practice law from the Ministry of Justice in February 2008.

### BOARD SECRETARY

#### DONG SHUBAO

**Mr. Dong Shubao (董淑寶)**, aged 42, joined our Group in December 2012 and was appointed as the Board Secretary of our Group in January 2022. Mr. Dong is responsible for overall information disclosure and PRC investor relations of our Group.

Mr. Dong worked in the Marketing Department and Securities and Legal Department of Jilong Mining from March 2012 to December 2012. Mr. Dong successively served as a staff member, Deputy Manager, and Manager of the Securities and Legal Department of our Group from December 2012 to September 2018. Mr. Dong then held the position as a Manager of Securities and Legal Department and Representative of Securities Affairs of our Group from September 2018 to January 2022.

Mr. Dong received a Bachelor's Degree in Political Science and Public Administration Studies from Shandong University of Technology (山東理工大學) in the PRC in July 2005, and a Master's Degree in International Politics from Central China Normal University (華中師範大學) in the PRC in June 2009. Mr. Dong obtained the Board Secretary Qualification granted by the Shanghai Stock Exchange in September 2013 and the qualification of Mining Rights Valuer from the Mineral Resources/Reserves and Property Assessment Professional in the PRC from the Mining Rights Valuer Association in the PRC in March 2023.

### COMPANY SECRETARY

Mr. Wong Hok Bun Mario (黃學斌) was appointed as Company Secretary of our Company on 14 October 2024. For his biographical details, see "Senior Management" in this section.







# RESOURCES AND RESERVES

## RESOURCES AND RESERVES OF THE GROUP

Mineralized Zone	Main type of mineral	Resources			Reserves			Annual mining capacity (designed)	Remaining exploitable years of resources	Duration of the license/ mining right
		Ore	Grade	Metal	Ore	Grade	Metal			
		Quantity (million tonnes)	(g/t, %) <sup>(Note 2)</sup>	volume (tonnes, thousand tonnes) <sup>(Note 1)</sup>	Quantity (million tonnes)	(g/t, %) <sup>(Note 2)</sup>	volume (tonnes, thousand tonnes) <sup>(Note 1)</sup>			
Wulong Mining's Wulong Gold Mine	Gold	3.61	7.81	28.21	1.19	7.83	9.29	10	30	4 August 2035
Jilong Mining's Zhuanshanzi Gold Mine	Gold	1.46	12.07	17.63	0.76	7.68	5.84	24	6 <sup>(Note 3)</sup>	26 September 2026 27 March 2032
Huatai Mining's Honghuagou Gold Mine	Gold	3.81	7.01	26.71	1.69	6.2	10.5	27	N/A <sup>(Note 4)</sup>	5 September 2025 17 November 2025 17 November 2025 17 November 2025 14 September 2027 5 June 2044
Jintai Mining's Xidengping Gold Mine	Gold	10.57	1.30	13.75	7.35	1.27	9.36	74 <sup>(Note 5)</sup>	14	6 June 2032
LXML's Sepon Gold and Copper Mine	Gold	11.66	4.16	48.49	7.38	3.08	22.76	300	6	29 September 2033
	Copper	5.51	1.59	87.44	1.07	0.96	10.34	150	3	
LXML's Sepon Rare Earth Element Project	Rare earth	90.57	352.43	31.92	–	–	–	N/A	N/A	N/A
CIRE Mining's Mengkham Rare Earth Element Project	Rare earth	133.79	241.44	32.30	–	–	–	N/A	8	27 December 2025
GSWL's Wassa Gold Mine	Gold	76.93	3.32	255.31	8.03	2.13	17.08	270	25	25 January 2047
Hanfeng Mining's Lishan Mine	Zinc	19.95	2.77	553.97	3.31	2.45	81	60	33	27 August 2050
	Copper		0.08	16.00	–	–	–			
	Lead		0.13	25.00	–	–	–			
Hanfeng Mining's Dongfeng Mine	Molybdenum	65.37	0.12	79.25	–	–	–	174.9 <sup>(Note 6)</sup>	33	24 February 2030

## RESOURCES AND RESERVES

### Notes:

1. Gold metal quantity unit: tonnes; zinc, copper, lead, molybdenum metal quantity unit: thousand tonnes; rare earth oxides unit: thousand tonnes.
2. Gold grade unit: g/t; Zinc, copper, lead, molybdenum grade unit: %; LXML's Sepon Rare Earth Element Project's grade unit: g/t TREO; Mengkham Rare Earth Element Project's grade unit: g/t SREO.
3. Jilong Mining holds two valid mining rights, involving the fourth, fifth, sixth, and seventh mining areas, which are currently in the infrastructure stage and have not yet commenced production. The resource quantity in this area has not been included in the calculation of the remaining exploitable years.
4. Huatai Mining holds six valid mining rights. The current mine is in the stage of technical renovation projects, and the resource quantity of its mining area has not been included in the calculation of the remaining exploitable years this time.
5. The current operational production scale of Phase I mining and processing project of Jintai Mining is 140,000 tonnes per annum, while the design mining capacity for Phase II development and utilization plan is 600,000 tonnes per annum. Upon completion and commissioning, the production scale can reach an aggregate of 740,000 tonnes per annum.
6. The production scale of Hanfeng Mining's Dongfeng mining area (above 250m elevation) is 99,000 tonnes per annum, while its deeper molybdenum mining area (below 250m elevation) has not yet been constructed and commissioned, with a designed mining capacity of 1.65 million tonnes per annum according to the feasibility report.
7. Resources mean solid mineral resources identified by mineral resource exploration, generally reviewed, and expected to be economically minable, which quantity, grade or quality is estimated with reference to geological information, geological understanding and relevant technical requirements including inferred resources, indicated resources and measured mineral resources.
8. Reserves mean portion of the measured and/or indicated resources that can be economically mined, which is an estimate after a pre-feasibility study, feasibility study or equivalent technical and economic evaluation, with possible ore losses and depletion, and the reasonable use of conversion factors fully taken into account to make mining technically feasible and economically viable. This contains both probable and proved reserves.



# RESOURCES AND RESERVES



To Chifeng Jilong Gold Mining Co., Ltd.

## 1 INTRODUCTION

Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as “**Chifeng Gold**”, the “**Company**” or the “**Client**”) has entrusted SRK Consulting China Ltd. (“**SRK**”) to update the mineral resources and ore reserves of its mining asset projects located in China, Ghana, and Laos (the “**Project**”) as of the data cutoff date of 31 December 2024. and submit a summary of the mineral resources data and key assumptions for 2024. The mining assets included are as follows, as confirmed by the Company and SRK:

China Projects: The mining projects of the Company and its subsidiaries operating in China include Chifeng Jilong Mining Co., Ltd. (“**Jilong Mining**”), Chifeng Huatai Mining Co., Ltd. (“**Huatai Mining**”), Liaoning Wulong Gold Mining Co., Ltd. (“**Wulong Mining**”), Jilin Hanfeng Mining Technology Co., Ltd. (“**Hanfeng Mining**”) and Eryuan Jintai Mining Development Co., Ltd. (“**Jintai Mining**”), which are located in Inner Mongolia Autonomous Region (“**Inner Mongolia**”), Liaoning Province, Jilin Province, and Yunnan Province, respectively.

Laos Project: Refers to the mineral projects of Chifeng Gold in Laos (the “**Laos Project**”), which includes two types of project: the Sepon Gold and Copper Mine project (the “**Sepon Gold and Copper Mine Project**”) of Lane Xang Minerals Limited Company (“**LXML**”), in which LXML is held by Chifeng Gold through its wholly-owned subsidiary CHIJIN Laos Holdings Limited with a 90% equity stake, while the Lao government holds 10% of the shares. The Sepon Gold and Copper Mine Project is located in Savannakhet Province of Laos and is a production project that integrates both open-pit and underground mining operations, as well as copper and gold processing facilities. Additionally, there are two rare earth mine projects: (1) a rare earth mine project within the Sepon mining rights area (“**Sepon Rare Earth Element Project**”), which is an exploration project; and (2) Mengkham Rare Earth Element Project (“**Mengkham Rare Earth Element Project**”) in the Kham District of Xiangkhouang Province operated by the joint venture, namely Chixia Laos Holdings Limited (“**Chixia Laos**”), between Chifeng Gold and Xiamen Tungsten Co., Ltd., which is a project set to commence production.

Ghana Project: Specifically refers to the Wassa Gold Mine Project of GSWL (“**Ghana Project**”), located in Akyempim in the western region of Ghana. This is a multi-deposit open-pit and underground production project.

SRK authorizes Chifeng Jilong Gold Mining Co., Ltd. to incorporate this document into its annual report in the format provided by us for disclosure, and it shall not be used for any other purpose.

# RESOURCES AND RESERVES

## 2 COMPETENT PERSON

**Table 1: Competent Persons for Mineral Resources and Ore Reserves**

Name of project	Responsibilities	Competent Persons	Professional Membership
Chinese Projects	Mineral Resources Review	Dr. Jia Yiefei	FAusIMM
	Ore Reserves Review	Hu Falong	FAusIMM
	Ore Reserves Review	Chuang Tzuhsuan	MAusIMM
Laos Project	Mineral Resources Review	Dr. Anson Xu	FAusIMM
	Ore Reserves Review	Wu Yonggang	MAusIMM
Ghana Project	Mineral Resource Review	Xiao Pengfei	FAusIMM
	Mineral Resources Review	Li Huaixiang	MAIG
	Ore Reserves Review	Chuang Tzuhsuan	MAusIMM
Rare Earth Element Project	Mineral Resources Review	Dr. Anson Xu	FAusIMM

*Note:*

- <sup>1</sup> The information in this report that relates to mineral resources and ore reserves is based on information compiled by the Competent Persons mentioned above, who are members or fellows of the Australasian Institute of Mining and Metallurgy (AusIMM), the Australian Institute of Geoscientists (AIG) or a Recognized Professional Organization (RPO) and have sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition). All Competent Persons are employees of SRK Consulting China Limited, an independent consultant firm, and have agreed to include matters based on their information in the report in the form and content as indicated in their information.

# RESOURCES AND RESERVES

## 3 SUMMARY OF RESERVES AND RESOURCES

### 3.1 Mineral resources:

The changes in mineral resources as at 31 December 2024 are summarized in this section, highlighting the most significant variations due to various reasons. The Group's mineral resources for 2024 compared to 2023:

**Table 2: Comparison of Mineral Resources as at 31 December 2024 and 31 December 2023**

#### Gold

Name of mine	Category	2023				2024				2024 as compared to 2023 %
		Tonnage kt	Au Grade g/t	Au Metal Contained t	Au Metal Contained koz	Tonnage kt	Au Grade g/t	Au Metal Contained t	Au Metal Contained koz	
Jilong Mining's	Measured					501	13.45	7	217	
Zhuanshanzi	Indicated					450	10.89	5	157	
Gold Mine	Inferred					511	11.74	6	193	
	<b>Total</b>	<b>1,530</b>	<b>10.18</b>	<b>16</b>	<b>501</b>	<b>1,461</b>	<b>12.07</b>	<b>18</b>	<b>567</b>	<b>13%</b>
Wulong Mining's	Measured					–	–	–	–	
Wulong Gold	Indicated					1,553	8.39	13	419	
Mine	Inferred					2,060	7.37	15	488	
	<b>Total</b>	<b>3,040</b>	<b>7.77</b>	<b>24</b>	<b>759</b>	<b>3,613</b>	<b>7.81</b>	<b>28</b>	<b>907</b>	<b>19%</b>
Huatai Mining's	Measured					385	5.88	2	73	
Honghuagou	Indicated					2,146	7.27	16	502	
Gold Mine	Inferred					1,281	6.90	9	284	
	<b>Total</b>	<b>3,810</b>	<b>7.01</b>	<b>27</b>	<b>859</b>	<b>3,812</b>	<b>7.01</b>	<b>27</b>	<b>859</b>	<b>0%</b>

## RESOURCES AND RESERVES

Name of mine	Category	2023				2024				2024 as compared to 2023 %
		Tonnage kt	Au Grade g/t	Au Metal Contained t	Au Metal Contained koz	Tonnage kt	Au Grade g/t	Au Metal Contained t	Au Metal Contained koz	
Jintai Mining's	Measured					3,363	1.68	6	181	
Xidengping	Indicated					4,516	1.02	5	148	
Gold Mine	Inferred					2,691	1.30	3	112	
	<b>Total</b>	<b>11,050</b>	<b>1.28</b>	<b>14</b>	<b>455</b>	<b>10,571</b>	<b>1.30</b>	<b>14</b>	<b>441</b>	<b>-3%</b>
LXML's Sepon Gold	Measured					162	8.76	1	46	
and Copper Mine	Indicated					6,804	4.31	29	943	
	Inferred					4,694	3.78	18	569	
	<b>Total</b>	<b>15,000</b>	<b>3.70</b>	<b>56</b>	<b>1,784</b>	<b>11,660</b>	<b>4.16</b>	<b>48</b>	<b>1,558</b>	<b>-13%</b>
GSR's Wassa	Measured					6,409	3.04	19	627	
Gold Mine	Indicated					9,675	3.15	31	980	
	Inferred					60,842	3.37	205	6,603	
	<b>Total</b>	<b>92,800</b>	<b>3.43</b>	<b>318</b>	<b>10,233</b>	<b>76,925</b>	<b>3.32</b>	<b>255</b>	<b>8,209</b>	<b>-20%</b>
<b>Total</b>	Measured					10,820	3.28	36	1,143	
	Indicated					25,144	3.90	98	3,149	
	Inferred					72,079	3.56	257	8,249	
	<b>Total</b>	<b>127,230</b>	<b>3.57</b>	<b>454</b>	<b>14,591</b>	<b>108,043</b>	<b>3.61</b>	<b>390</b>	<b>12,541</b>	<b>-14%</b>



# RESOURCES AND RESERVES

## Other minerals

Mineralized Zone	Category	2023							2024							2024 as compared to 2023			
		Zn Metal			Cu Metal		Pb Metal		Zn Metal			Cu Metal		Pb Metal		Zn Metal	Cu Metal	Pb Metal	
		Tonnage	Zn Grade	Contained	Cu Grade	Contained	Pb Grade	Contained	Tonnage	Zn Grade	Contained	Cu Grade	Contained	Pb Grade	Contained	Contained	Contained	Contained	
		kt	%	kt	%	kt	%	kt	kt	%	kt	%	kt	%	kt	%	%	%	
Hanfeng Mining's Lishan Mine	Measured							752	2.36	18	–	0	0.12	1					
	Indicated							8,583	2.66	229	0.07	6	0.12	10					
	Inferred							10,616	2.90	308	0.09	10	0.13	14					
	Total	19,950	2.78	555	0.08	16	0.13	25	19,951	2.78	554	0.08	16	0.13	25	0%	-1%	0%	

Mineralized Zone	Category	2023			2024			2024 as compared to 2023
		Tonnage	Mo Grade	Mo Metal Contained	Tonnage	Mo Grade	Mo Metal Contained	
		kt	%	kt	kt	%	kt	
Hanfeng Mining's Dongfeng Mine	Measured				1,819	0.11	2	
	Indicated				26,495	0.12	32	
	Inferred				37,053	0.12	45	
	Total	65,360	0.12	79	65,367	0.12	79	0%

Mineralized Zone	Category	2023			2024			2024 as compared to 2023
		Tonnage kt	Cu Grade %	Cu Metal Contained kt	Tonnage kt	Cu Grade %	Cu Metal Contained kt	
LXML's Sepon Gold and Copper Mine	Measured				–	–	–	
	Indicated				4,121	1.50	62	
	Inferred				1,393	1.84	26	
	Total	58,000	0.80	460	5,514	1.59	87	-81%

Mineralized Zone	Category	2023			2024			2024 as compared to 2023 %
		Tonnage Mt	TREO Grade g/t	Contained TREO kt	Tonnage Mt	TREO Grade g/t	Contained TREO kt	
Laos Sepon Rare Earth Element Project	Measured				–	–	–	
	Indicated				26.78	383.75	10.28	
	Inferred				163.79	339.22	21.64	
	Total	–	–	–	90.57	352.43	31.92	N/A

Mineralized Zone	Category	2023			2024			2024 as compared to 2023 %
		Tonnage Mt	SREO Grade g/t	Contained SREO kt	Tonnage Mt	SREO Grade g/t	Contained SREO kt	
Laos Mengkham Rare Earth Element Project	Measured				-	-	-	
	Indicated				-	-	-	
	Inferred				133.79	241.44	32.30	
	Total	-	-	-	133.79	241.44	32.30	N/A

## RESOURCES AND RESERVES

- **China Projects:** Wulong contained gold increased 19%, Jilong contained gold increased 13%, Huatai and Hanfeng contained gold remained unchanged, Jintai contained gold decreased 3%;
- **Sepon Gold and Copper Mine of LXML in Laos:** contained gold decreased 13%, contained copper decreased 81%;
- **Ghana Wassa Gold Mine:** contained gold decreased 20%;

The following are the reasons for the increase in mineral resources:

- Increase
  - As at the end of 2024, mineral resources of Wulong Gold Mine increased by 19% as compared to 2023, is due to the inclusion of 1,076 sets of groove data from newly constructed exploration tunnels in 2023-2024, with a sample line length of 2,246.44m and 3,672 sets of samples taken, resulting in an additional exploration workload of 25.5%.
  - The rare earth mine in Laos is a newly added mineral type.

The reasons for the decrease in the following mineral resources:

- Decrease:
  - As at the end of 2024, contained gold at the Ghana Wassa Gold Mine decreased by 20% as compared to that of 2023, which was because the underground mineral resources adopted the mining method optimization (MSO) constraints as at the end of 2024, while the underground mineral resources as at the end of 2023 did not adopt such constraints.
  - The contained gold at the Sapon Gold and Copper Mine of LXML by 13% as at the end of 2024 compared to 2023, which was mainly due to production consumption.
  - The contained copper at the Sapon Gold and Copper Mine of LXML decreased by 81% as at the end of 2024 compared to 2023, which was mainly because of the updated geological resource model and boundary optimization results in the TKM OP area.

## RESOURCES AND RESERVES

### 3.2 Ore Reserve

**Table 3: Ore Reserve as at 31 December 2024**

#### Gold

Name of mine	Category	Tonnage (kt)	Grade (g/t)	Contained Au (t)	Contained Au (koz)
Zhuanshanzi Gold Mine of Jilong Mining	Proved	447	8.43	3.77	121
	Probable	312	6.61	2.06	66
	<b>Total</b>	<b>760</b>	<b>7.68</b>	<b>5.84</b>	<b>188</b>
Wulong Gold Mine of Wulong Mining	Proved	–	–	–	–
	Probable	1,187	7.83	9.29	299
	<b>Total</b>	<b>1,187</b>	<b>7.83</b>	<b>9.29</b>	<b>299</b>
Honghuagou Gold Mine of Huatai Mining	Proved	226	5.22	1.18	38
	Probable	1,468	6.35	9.32	300
	<b>Total</b>	<b>1,694</b>	<b>6.20</b>	<b>10.50</b>	<b>338</b>
Xidengping Gold Mine of Jintai Mining	Proved	3,378	1.59	5.36	172
	Probable	3,974	1.01	4.00	129
	<b>Total</b>	<b>7,352</b>	<b>1.27</b>	<b>9.36</b>	<b>301</b>
Sepon Gold and Copper Mine of LXML	Proved	54	4.15	0.22	7
	Probable	7,330	3.07	22.53	724
	<b>Total</b>	<b>7,384</b>	<b>3.08</b>	<b>22.76</b>	<b>732</b>
Wassa Gold Mine of GSR	Proved	3,120	2.18	6.79	218
	Probable	4,905	2.10	10.29	331
	Stockpile	20	1.00	0.02	0.8
	<b>Total</b>	<b>8,045</b>	<b>2.13</b>	<b>17.10</b>	<b>550</b>
<b>Total</b>	Proved	7,225	2.40	17.33	557
	Probable	19,177	3.00	57.50	1,849
	Stockpile	20	1.00	0.02	0.8
	<b>Total</b>	<b>26,422</b>	<b>2.83</b>	<b>74.85</b>	<b>2,406</b>

## RESOURCES AND RESERVES

### Other minerals

Name of mine	Category	Tonnage (kt)	Zn Grade (%)	Contained Zn (kt)
Lishan Mine of Hanfeng Mining	Proved	390	2.29	9
	Probable	2,920	2.47	72
	<b>Total</b>	<b>3,310</b>	<b>2.45</b>	<b>81</b>

Name of mine	Category	Tonnage (kt)	Cu Grade (%)	Contained Cu (kt)
Sepon Gold and Copper Mine of LXML	Proved	—	—	—
	Probable	1,072	0.96	10
	<b>Total</b>	<b>1,072</b>	<b>0.96</b>	<b>10</b>



# RESOURCES AND RESERVES

## 4 KEY ASSUMPTIONS

### 4.1 Prices and exchange rates

Project	Ore Reserves	Mineral resources
Gold (US\$/ounce)	2,050	2,150
Copper (US\$/tonne)	8,300	10,800
Zinc (US\$/tonne)	2,500	2,550
Molybdenum (US\$/tonne)	N/A	29,500
Rare earth oxides (RMB/tonne)	N/A	239,000
US Dollar: Renminbi	7.22	7.22

### 4.2 Cut-off grade

The cut-off grades for mineral resources and ore reserves are shown in Table 4 and Table 5.

**Table 4: Cut-off Grade of Mineral Resources**

Mine	Mineralization	Applicable mining methods	Cut-off grade	Notes
Wulong Gold Mine of Wulong Mining	Gold	UG	1.5 g/t Au	
Zhuanshanzi Gold Mine of Jilong Mining	Gold	UG	1.5 g/t Au	
Honghuagou Gold Mine of Huatai Mining	Gold	UG	1.5 g/t Au	
Xidengping Gold Mine of Jintai Mining	Gold	OP	0.17 g/t Au	
Sepon Gold and Copper Mine of LXML	Oxide gold	OP	0.6 g/t Oxide Au	
	Primary gold	OP	1.5 g/t Primary Au	
	Primary gold	UG	2.3 g/t Primary Au	
	Oxide copper	OP	0.7% Oxide Cu	
	Primary copper	OP	0.3% Primary Cu	
	Primary copper	UG	0.8% Primary Cu	

## RESOURCES AND RESERVES

Mine	Mineralization	Applicable mining methods	Cut-off grade	Notes
GSLW's Wassa Gold Mine	Gold	OP	0.43 g/t Au	DMH Open Pit Mine
	Gold	OP	0.73 g/t Au	I Zone Open Pit Mine
	Gold	OP	0.55 g/t Au	Chichiwelli Open Pit Mine
	Gold	UG	1.34 g/t Au	242 & B Shoot UG Mine
	Gold	UG	1.40 g/t Au	FB/ADK UG Mine
Hanfeng Mining's Lishan Mine	Zinc	UG	0.5% Zn	Lishan Lower Part
Hanfeng Mining's Dongfeng Mine	Molybdenum	UG	0.03% Mo	Dongfeng Lower Part
Laos Sepon Rare Earth Element Project	Rare earth	In situ leaching	170 g/t TREO	
Laos Mengkham Rare Earth Element Project	Rare earth	In situ leaching	100 g/t SREO	

**Table 5: Ore Reserves Cut-off Grades**

Mine	Mineralization	Applicable mining methods	Cut-off grade	Notes
Wulong Gold Mine of Wulong Mining	Gold	UG	2.50 g/t Au	
Zhuanshanzi Gold Mine of Jilong Mining	Gold	UG	2.76 g/t Au	
Honghuagou Gold Mine of Huatai Mining	Gold	UG	2.93 g/t Au	
Xidengping Gold Mine of Jintai Mining	Gold	OP	0.25 g/t Au	

## RESOURCES AND RESERVES

Mine	Mineralization	Applicable mining methods	Cut-off grade	Notes
Sepon Gold and Copper Mine of LXML	Oxide gold	OP/Stockpile	0.6 g/t Oxide Au	
	Primary Gold	OP/Stockpile	1.5 g/t Primary Au	
	Primary Gold	UG	2.6 g/t Primary Au	DSE UG Mine
	Oxide copper	Stockpile	0.9% Oxide Cu	Only copper oxide ore
GSWL's Wassa Gold Mine	Gold	OP	0.5 g/t Au	DMH Open Pit Mine
	Gold	UG	1.34 g/t Au	242 & B Shoot UG Mine
Hanfeng Mining's Lishan Mine	Zinc	UG	1.42% Zn	Lishan Lower Part (Stage 1)

### 4.3 Processing recovery rate

**Table 6: Assumption of Recovery Rate**

Mine	Product	Recovery rate		
		Gold	Copper	Zinc
Wulong Gold Mine of Wulong Mining	Gold concentrate	91%		
Zhuanshanzi Gold Mine of Jilong Mining	Gold ingot	97%		
Honghuagou Gold Mine of Huatai Mining	Gold ingot	93%		
Xidengping Gold Mine of Jintai Mining	Au-loaded carbon	78%		
Sepon Gold and Copper Mine of LXML	Gold ingot (oxide ore)	65%		
	Gold ingot (primary ore)	65%		
	Copper cathodes (oxide ore)		45%	
GSWL's Wassa Gold Mine	Gold ingot	95.5%		
Hanfeng Mining's Lishan Mine	Zinc concentrate			88%







# MANAGEMENT DISCUSSION AND ANALYSIS

## OPERATION DISCUSSION AND ANALYSIS

### Adhere to strategic determination to achieve new breakthroughs in operational indicators

In the face of external uncertainties, the Company has consistently adhered to its development strategy of “Focusing on Gold”, maintaining a strategic determination to continuously introspect, explore externally, scale new heights, and keep innovating. The Company actively seeks new growth opportunities and has achieved stable operational results. In 2024, the Company achieved steady growth in production, continuous optimization of costs, and significant improvement in profits. Key operational indicators, namely production, net profit, and operating cash flow, have reached historic highs. The gearing ratio continued to improve, demonstrating strong profitability, resilience, and sustainable development potential.

In 2024, the Company achieved a gold production of 15.16 tonnes, representing a year-on-year increase of 5.60%, of which domestic mines contributed 3.91 tonnes, representing a year-on-year increase of 14.6%, showing outstanding growth; and overseas mines contributed 11.25 tonnes, continuing to play a core role. The Company achieved net profit attributable to the parent company of RMB1,764 million, representing a year-on-year increase of 119.46%; net cash flow from operating activities amounted to RMB3,268 million, representing a year-on-year increase of 48.36%; and free cash flow was approximately RMB1,749 million, up by 279.22% year-on-year. The robust growth of operating cash flow and free cash flow indicated the Company's ability to maintain good capital expenditure management and working capital efficiency while expanding production capacity, further enhancing the Company's profit quality and financial stability, thereby laying a more solid foundation for future sustainable development.

To further advance its internationalization strategy and enhance core competitiveness, the Company initiated the issuance of overseas listed Shares (H Shares) in the second quarter of the year and successfully listed on the Main Board of the Hong Kong Stock Exchange on 10 March 2025. The international placement of H Shares accounted for approximately 90% of the total issuance of Shares, attracting participation from renowned institutional investors in the world, including Asia, Europe, and Australia, with net proceeds from the Global Offering of approximately HK\$2,676 million. The listing in Hong Kong marked an important step for the Company in the international capital market, providing new opportunities and momentum for the Company to further promote its international development and global resource allocation.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FOCUS ON KEY PROJECTS TO TACKLE CHALLENGES AND EXPLORE TO INCREASE RESERVES, LAYING THE FOUNDATION FOR PRODUCTION GROWTH.

Key projects are being accelerated to drive capacity enhancement. The Company has made significant progress in key project construction and capacity expansion. The blind shaft deepening project of the auxiliary shaft of Wulong Mining, the ventilation shaft project, the installation project of the auxiliary shaft hoist, and the shaft connection tunnel project have all been smoothly advanced, further enhancing mining and transportation capacity. The project achieved a daily processing capacity of over 2,000 tonnes at the end of 2024, with plans to achieve a production capacity of 3,000 tonnes per day in 2025. The expansion project of Jilong Mining for 180,000 tonnes of gold ore was scheduled for trial production in June 2024, and the acceptance check was passed at the end of the year; the newly added underground mining project of 60,000 tonnes has completed approval, and the target production capacity of 1,000 tonnes per day is progressing; and the technical renovation project of the No. 3 mining area has passed acceptance, further enhancing mining capacity. The new underground mining expansion project of 30,000 tonnes per annum in the No. 5 mining area of Huatai Mining commenced construction in November and is expected to gradually contribute incremental capacity starting from 2025. The review of the development and utilization plan for the Phase II exploration and conversion of Jintai Mining has been approved, and the preliminary procedures are progressing steadily. The lower mining zone of the Lishan Mining Area of Hanfeng Mining has completed construction and commenced mining outsourcing, further enhancing overall mining efficiency. LXML's Far West Open Pit Gold Mine commenced production in September 2024, contributing a gold output of 1.2 tonnes in its first year of operation. The extension and expansion of the Western Tailings Storage Facilities ("WTSF"), underground pumping stations, underground capacity expansion, and the stubborn rock crushing line are all progressing as planned. GSWL is enhancing ore supply and further solidifying production capacity by restarting and optimizing open-pit mining at Dead Man's Hill ("DMH") and improving ore blending.

The Company has significantly strengthened its exploration efforts and successfully boosted both the quantity of resources and reserves. In 2024, domestic subsidiaries continued to adhere to the philosophy of "constructing and mining", intensifying geological prospecting efforts, and achieving significant results in exploration work both underground and in the periphery of mining areas. A total of 44,000 metres of trenching was completed throughout the year; the construction drilling amounted to 91,000 metres.

LXML implemented an integrated strategy of "exploration-development" and actively promoted multiple resource growth projects, including Far West Open-Pit Gold Mine, Khanong Primary Copper Mine, Thenkham, PVN Open-Pit and Underground Mine, as well as the Discovery West Underground Mine. LXML completed exploration work of 72,000 metres for the year, exceeding the schedule by 22,000 metres, with resource extension drilling of 43,129 metres. In the Sepon mining area, the Company has made a new exploration discovery in the southern region, initially assessed to be a large porphyry-type ore body. The Company plans to accelerate drilling, striving to complete the initial resource assessment by 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

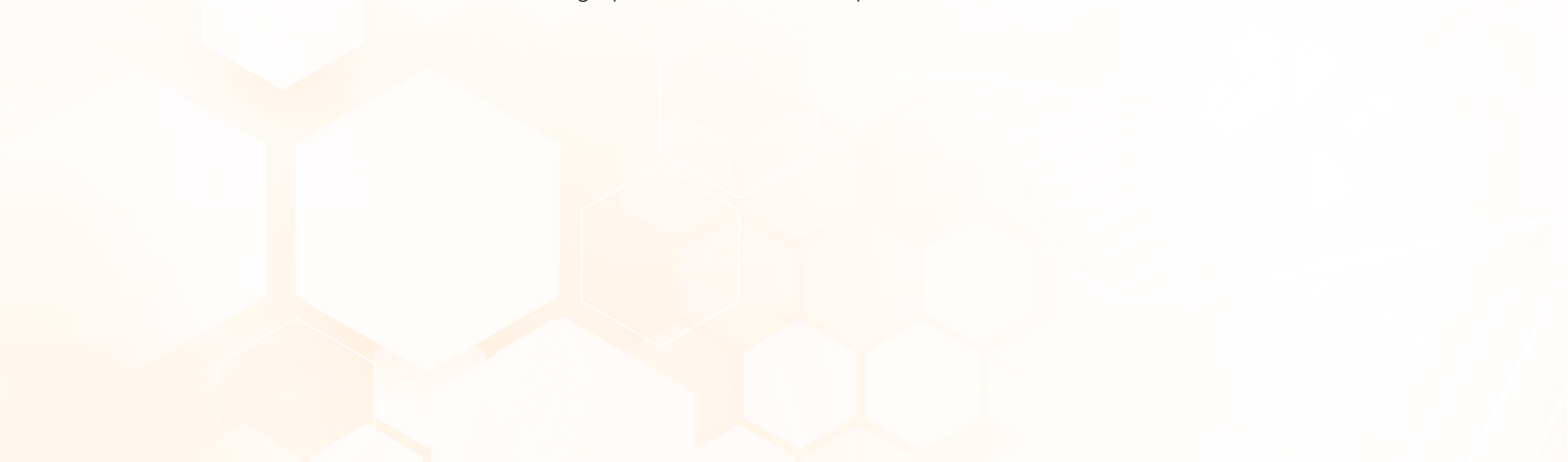
In 2024, GSWL completed a total of 20,949 metres of capital drilling, of which 16,533 metres was in the B-Shoot South Area and 4,417 metres was in the B-Shoot South Deep Area. In 2024, three new drilling contractors were introduced, totaling four drilling contractors, which simultaneously conducted exploration in multiple areas both underground and in open-pit. In the second half of 2024, GSWL has initiated the deep expansion project of the B-Shoot South area with intensified drilling, and it is expected to further accelerate and increase overall drilling efforts in 2025 to enhance resource levels and increase gold reserves, thereby strengthening future capacity assurance. In addition, due to the rise in gold prices, the Company has conducted a new economic assessment of historically dormant mines within the mining areas held by the Wassa Gold Mine, some of which are expected to commence production in 2025 and form part of the source of production growth for that year. Meanwhile, exploration work in the South Wassa mining area will continue to progress in 2025.

Since the fourth quarter of 2024, the Group has intensified exploration efforts at all mines and initiated the preparation of a three-year plan for the Group's exploration and resource expansion, which was prioritized as a key focus for the Group. Aiming to accelerate the enhancement of resource quantity levels and reserve levels, this initiative also increased investment in risk exploration to fully tap into the potential resources of the Group's mining areas.

### ENHANCE TECHNOLOGICAL INNOVATION AND STREAMLINE PROCESSES TO IMPROVE PRODUCTION EFFICIENCY

Our domestic mines have been making significant progress in the digital and intelligent transformation of their mining processes. This included implementing intelligent optimization scheduling for production processes and facilitating the efficient allocation of mining resources. Jilong Mining has established an AI-based video analysis platform, enabling real-time monitoring and intelligent early warning for 23 key production scenarios. Wulong Mining has completed the intelligent upgrade of the underground "six major systems", enabling real-time data transmission and automated safety monitoring analysis, resulting in a 60% faster response rate. Hanfeng Mining has applied three-dimensional geological modeling technology, leading to a 35% enhancement in resource exploration efficiency.

LXML continued to promote multiple technological transformation projects, resulting in lower processing costs and higher processing recovery rates. The active promotion of the research projects, such as flotation and regrinding, flotation tailings resin leaching, and the processing of Khanong Primary Copper Mine, has laid a solid foundation for further enhancement of the Sepon Gold and Copper Mine's resource and processing recovery rate. By upgrading the rock crushing line, LXML improved equipment operational efficiency by 15%, and the annual processing capacity increased by 120,000 tonnes. The maintenance team has reduced equipment downtime and improved the single operating time of the main equipment in the designated factory through modifications and continuous monitoring optimization, with an expected additional benefit of US\$525,000.





## MANAGEMENT DISCUSSION AND ANALYSIS

GSWL adopted multi-dimensional measures to enhance mining volume and operational efficiency. We supported contractors in the mining areas of 242 and B-shoot South to continuously improve efficiency and value, optimize the maintenance support system, and enhance the availability rate of mining and selection equipment through a preventive maintenance plan. We streamlined production organization and ventilation, while shortening the turnaround time for the working face after blasting and increasing effective working hours per shift. We continuously optimized systems such as crushing, grinding, gravity separation, and carbon-in-leach (“**CIL**”) process, to continuously improve processing volume, recovery rate, and metal output. By benchmarking against externally introduced underground mining operation teams, GSWL has improved the overall excavation efficiency of the mine by 40%, with underground ore output capacity jumping from 5,000 tonnes per day to 7,000 tonnes per day. The processing capacity and recovery rate of the designated factory have been enhanced and optimized, with the processing capacity increasing from 8,000 tonnes per day at the end of last year to over 10,000 tonnes per day. By optimizing the CIL system parameters, the recovery rate in the mineral processing stage has stabilized at approximately 95.5%.

### INTENSIFY SUPPLY CHAIN MANAGEMENT AND STRENGTHEN COST CONTROL IN THE PROCUREMENT PROCESS

Centralized procurement stood as an important cost reduction measure within the Company. To enhance supply chain efficiency, optimize resource allocation, reduce procurement costs, and ensure consistency and sustainability in global operations, the Company has established a global supply chain center to fully drive forward its centralized procurement strategy.

In 2024, GSWL raised the proportion of centralised procurement items with the Global Supply Chain Centre of the Company targeting selection of more cost-efficient materials and alternative suppliers. Multiple drilling companies were introduced to create competition, together with efficiency improvement and costs of exploration and production diminution. GSWL realised economies of scale in bulk material centralised procurement including initiating explosive devices and steel through the Global Supply Chain Centre. The completion of bidding for certain substantial procurement and service contracts in 2024, relating to drilling contractors, explosives, and cement, led to cost reductions ranging from 20% to 30%.

LXML has achieved significant cost reductions in various service and material procurement projects. The total savings amounted to over US\$12 million from the WTSF Earthworks Project, Lime Procurement Project, and Diesel Procurement Project. The drop of 10.6% in drilling costs resulted from introducing diverse PRC and overseas drilling contractors which improves bargaining power resulting in lower cost drilling contracts entered into with contractors through bidding. The unit prices in the Far West region showed a considerable fall in its mining services bid, saving approximately US\$1.24 million in 2024, with an estimated total saving of US\$8.3 million for the Far West Project (including mining and ore transportation). In 2025, LXML intends to continue implementation of construction and mining outsourcing in areas including Khanong and Thenkham, further lessening costs.

## MANAGEMENT DISCUSSION AND ANALYSIS

In 2024, there will be 58 procurement projects conducted through bidding, consultation, or negotiation in the PRC mines, covering equipment, bulk materials, shaft construction, specialised technical service contracting, drilling engineering, six major systems, water treatment, and surface infrastructure constructions. The procurement costs have sharply decreased for explosive products, timber, steel balls, and certain equipment, with expected savings of approximately RMB11.19 million.

### PRACTICING THE ESG CONCEPT AND REINFORCING THE FOUNDATION FOR SUSTAINABLE DEVELOPMENT

In the context of global sustainable development, Chifeng Gold profoundly acknowledges the key importance of ESG for enterprises to achieve long-term value creation and sustainable development.

The Company has strictly implemented risk management standards and related control measures in contribution to improve the safety, environmental protection, occupational health management system, and efforts in performance assessment and evaluation. Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR) of the Company both equal to 1.4/million hours, representing a decline as compared to the previous year. In 2024, “Zero Major Safety Accidents and Zero Environmental Incidents” was achieved at our PRC and overseas mines.

The Company has proactively taken part in accomplishing energy conservation and consumption reduction. Leveraging on the introduction of advanced energy-saving and environmental technologies and processes, unnecessary electricity consumption at Chifeng Gold has been reduced effectively so that excess energy from equipment operation can be recycled. Apart from purchasing energy-efficient equipment, the existing equipment has received technical upgrades and optimisation in virtue of replacing aging and inefficient components so as to enhance the energy efficiency of the equipment. The application scope of intelligent control technology has been gradually widened in terms of equipment usage monitoring to achieve rational use of energy and lower consumption. The Company actively explores the use of alternative energy in mining areas aimed to replace the partial reliance on traditional petrochemical energy, in response to the potential electricity price increase in the countries it operates coupled with carbon emissions reduction. Meanwhile, we have introduced a vision for the first time to achieve the peak of carbon emissions by 2030 and attain carbon neutrality by 2055, clarifying our long-term commitment to sustainable development.

Upholding the principles of equality, diversity, and inclusion, the Company has attached strategic importance to employee well-being and community development. Local employees in each mining area accounted for an average of 80.5% of all employees, among which, the local employees at GSWL reached 97.8% while local employees accounted for 93.3% at LXML. Women comprise 14% of the Group’s employees. The employee stock ownership plan has been considered as a long-term incentive mechanism of the Company, with the 100% coverage of performance incentive compensation for permanent management and skilled labour.

# MANAGEMENT DISCUSSION AND ANALYSIS

Through facilitating community communication channels, the Company was committed to protecting local cultures and listening to the voices of the community. Adhering to the concept of “Mutual Prosperity and Development,” the in-depth collaborations have been carried out with the community in areas including infrastructure, education, employment, and ecology. The Company undertook public service with a focus on the underprivileged in the community bearing inheritance the spirit of public welfare and charity in mind, which demonstrated corporate social responsibilities and missions. The Company focused on providing assistance and support to employees’ families facing major illnesses and unforeseen difficulties. The management team of the Company took the lead in donations, reflecting the “people first” philosophy with concrete actions, highlighting the Company’s strong emphasis on employee well-being and unwavering dedication.

## INDUSTRY IN WHICH THE COMPANY OPERATED DURING THE REPORTING PERIOD

### (I) General Overview of the Industry

Gold has dual attributes of both being a commodity and a means of finance and plays an irreplaceable role in maintaining national financial stability and economic security as an important global strategic asset and the cornerstone for the financial reserve systems of various countries. On the world gold map, the PRC, as the world’s largest gold producer, owns the gold market which has developed into an important global gold market and has become a material part of the PRC financial market. During recent years, the PRC gold industry has achieved leapfrog development, forming a complete industrial system including geological exploration, mining, metallurgical processing, deep processing, wholesale and retail, investment and trading market.

In 2024, with sharp substantial volatility, the international gold price continued to reach record highs. At the end of December, the London Gold Fixing was US\$2,610.85/ounce, up 25.83% from US\$2,074.90/ounce at the beginning of the year, while the average full-year price of US\$2,386.20/ounce was US\$1,940.54/ounce, representing an increase of 22.97% over the same period in 2023. The closing price of Au9999 gold on the Shanghai Gold Exchange at the end of December was RMB614.80/g, up 27.87% as compared to the opening price of RMB480.80/g at the beginning of the year, while the weighted average full-year price was RMB548.49/g, an increase by 22.14% as compared to RMB449.05/g during the same period in 2023.

Compared to the significant increase in the gold price, the gold production growth turns relatively slow along with the different gold consumption market structure. As shown in the World Gold Council’s Global Gold Demand Trends Report in 2024, there recorded an unprecedented high in gold demand, amounting to 4,974 tonnes (including over-the-counter trading and other demand) in total. The annual gold demand totalled 1,180 tonnes, increasing by 25% and achieving new high in the recent four years. As strong support offered by gold ETFs to the year-on-year growth in overall investment demand, 2024 marked the first year since 2020 when holdings of gold ETF remained relatively stable, in stark contrast to the substantial outflows during the previous three years. In the PRC market, the holdings of gold ETFs represents a soaring trend.

## MANAGEMENT DISCUSSION AND ANALYSIS

In addition, continuously active expansion of the gold holdings by central banks globally brought a significant increase to their gold reserves in 2024. According to the World Gold Council, central banks globally kept their gold accumulation at remarkable speed, leading to a rise of 1,044.6 tonnes in gold reserves in 2024 as the third consecutive year with an increase exceeding 1,000 tonnes. Notably, their gold purchases in the fourth quarter surged to 333 tonnes. In 2024, the People's Bank of China's accumulated increase in its gold reserves amounted to 44.17 tonnes throughout the year. As at the end of the year, the gold reserves amounted to 2,279.57 tonnes in the PRC, ranking 6th globally and hitting a historic volume high again.

### (II) The Newly Promulgated Important Laws, Regulations, Departmental Rules, and Industry Policies

1. In February 2024, the Notice on the Mineral Resource Development and Utilization Research and Evaluation Measures (Trial) (礦產資源開發利用水平調查評估辦法(試行)) issued by the Ministry of Natural Resources required reinforcement of the research data quality management in the mineral resource development and utilization and the application of evaluation results of mineral resource development and utilization.
2. In February 2024, the National Mine Safety Administration issued the Key Points for Mine Production Safety Works in 2024 (2024年礦山安全生產工作要點), requiring the improvement of “one-move” full chain for mining production safety, including geological precedence, advance disaster management, risk control, hidden danger rectification, basic-level foundation, technology empowerment, emergency response, and accident investigation. It fully promotes the transformation of mine safety management model towards pre-emptive prevention.
3. In March 2024, the Ministry of Natural Resources issued the Notice on Improving the Implementation and Management of Mineral Resource Planning (關於完善礦產資源規劃實施管理有關事項的通知), fully implementing the national resource safety strategies while playing the leading and supporting role of mineral resource planning to serve the overall situation of mineral resource management transformation and strategic action for breakthroughs in mineral exploration. This aims to guide the rational mineral resource exploration and extraction and empower increasing reserves and production in addition to promoting green transformation and high-quality development of the mining industry.
4. In March 2024, nine departments including the Ministry of Industry and Information Technology, the National Development and Reform Commission, the Ministry of Finance, and the Ministry of Natural Resources issued the Work Plan for Digital Transformation of the Raw Materials Industry (2024-2026) (原材料工業數字化轉型工作方案(2024-2026年)), setting the deployment for the digital transformation work of the raw materials industry, including the construction of intelligent mines.
5. In April 2024, the Ministry of Natural Resources and six other departments jointly issued the Notice on Further Strengthening Green Mine Construction (關於進一步加強綠色礦山建設的通知). It requires all regions to comprehensively drive the construction of green mines. By the end of 2028, the main objectives shall be fulfilled for realising a more complete green mine construction mechanism and meeting the green mine standards required for 90% of licensed large mines and 80% of licensed medium-sized mines in production.



## MANAGEMENT DISCUSSION AND ANALYSIS

6. In May 2024, the “Measures for the Management of Exploration and Mining Information of Mineral Right Holders” (礦業權人勘查開採信息管理辦法) was considered and approved at the 2nd Ministerial Meeting of the Ministry of Natural Resources. The measures mainly set specific provisions regarding the reporting, rights disclosure, verification of mining holders’ exploration and exploitation information, discredited subject identification, and management of the List of Abnormal Mining Rights Holders.
7. In November 2024, the Mineral Resources Law of the People’s Republic of China (中華人民共和國礦產資源法) was considered and approved at the twelfth meeting of the fourteenth NPC Standing Committee and will be implemented from 1 July 2025. This perform great significance for fostering high-quality development in the mining industry and contributing resource support for advancing Chinese-style modernisation.

### BUSINESS OPERATIONS OF THE COMPANY DURING THE REPORTING PERIOD

#### (I) Principal Business of the Company During the Reporting Period

During the Reporting Period, the mining, selection, and sales of gold, as the principal business of the Company, were primarily conducted through its subsidiaries. The Company owned and operated seven gold and polymetallic mines located across various regions including China, Southeast Asia, and West Africa. Its subsidiaries Jilong Mining, Wulong Mining, Huatai Mining, and Jintai Mining were engaged in gold mining and selection business; Hanfeng Mining, its subsidiary, was engaged in zinc, lead, copper, and molybdenum mining and selection business; LXML, its subsidiary in Laos, was engaged in gold and copper mining and smelting primarily; GSWL, its subsidiary in Ghana, was primarily engaged in gold mining and selection business. Furthermore, Guangyuan Technology, a subsidiary of the Company, operated in the comprehensive resource recycling industry and was engaged in waste electrical appliance and electronic product treatment business.

During the Reporting Period, the principal products of the mining subsidiaries of the Company were precious metals (including gold and copper cathodes) and non-ferrous metals. The downstream gold users were gold production enterprises (producing investment gold bars and standard gold bullion). Its final utility included central banks (official reserves), investment, jewellery, and industrial sectors. Copper was widely used in various industries including infrastructure, construction, and equipment manufacturing with application in the production of communication cables, wires and cables, power equipment, pipelines, machinery, and air conditioning equipment.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (II) Operating Model

1. Except for the Xidengping Gold Mine of Jintai Mining using open-pit mining, all the other mines of the Company operating in the PRC conduct underground mining, whose workflow primarily includes planning, preparation and cutting, stopping, extraction, and filling processes. However, the workflow of open-pit mining mainly includes planning, stripping, and transportation. Considering the characteristics of different ores, diverse beneficiation processes have been adopted in each mine. The flotation process was used at Wulong Mining and Hanfeng Mining while the all-slime cyanidation absorption gold extraction process worked for Jilong Mining and Huatai Mining. Whereas, Jintai Gold Mine utilized the carbon-in-pulp gold extraction process.

The principal product of Jilong Mining and Huatai Mining was doré with gold concentrate and gold-loaded carbon being that of Wulong Mining and Jintai Mining, respectively. The primary customers for gold products were gold refineries with membership qualifications of the Shanghai Gold Exchange. The Company transferred gold products to customers for sale through the Shanghai Gold Exchange Trading System. The settlement price was determined after deducting processing fees and handling fees from the market spot price. The payment shall be settled on the day of the spot price or the next business day, with the option to pre-settle part of the payment.

The principal products of Hanfeng Mining included zinc concentrate, lead concentrate (silver-bearing), copper concentrate (silver-bearing), and molybdenum concentrate. The pricing for external sales of Hanfeng Mining's concentrates was generally determined based on the market prices of the metals contained in the concentrates. The settlement price was primarily determined based on actual metal contents in the refined products, fully considering transportation fees, weighing-check fees and other factors, using the price of 1# zinc ingot and 1# spot lead available on the Shanghai Metals Network and the settlement price of the copper contract on the Shanghai Futures Exchange as benchmarks. The sales of products were conducted mostly through receipts in advance with the target customers being large downstream smelting enterprises with which the Company has had long-term cooperation.

2. LXML, a subsidiary of the Company, operated the Sepon Gold and Copper Mine in Laos, utilising a combination of open-pit and underground mining. LXML has two independent production lines for gold and copper, with a planned annual ore processing capacity of approximately 3.50 million tonnes and gold and copper cathode as principal products. Its gold products, doré bars, contain 30% to 80% of gold and 10% to 70% of silver. The sales customers were selected globally through a tendering process, principally being large international gold refineries. After the delivery of the doré products to the transportation service provider, up to 90% of the products may be sold at spot price based on inspection results of the Company, or all shall be sold at spot price after confirming the refining results with the sales payment to be settled by the customer on the date of the spot price or the next business day. The copper cathode of LXML possessed Grade A equivalent quality at the London Metal Exchange, with international commodity traders as its cooperative clients. Its sales model is determined upon negotiation between the parties according to international trade rules.

## MANAGEMENT DISCUSSION AND ANALYSIS

3. The Wassa Gold Mine in Ghana was operated by GSWL, a subsidiary of the Company, utilizing a combination of open-pit and underground mining, with the planned annual ore mining capacity of 3 million tonnes and annual ore processing capacity of 4 million tonnes. The principal products of GSWL was doré containing over 80% of gold, which were sold through commissioning large gold refineries determined by tender. The pricing was based on the daily spot gold price set by the London Bullion Market Association after deducting relevant fees and would be determined on the date of completion of smelting at the smelters. The settlement of payment was generally completed within three business days after pricing.
4. Guangyuan Technology, a subsidiary of the Company, is a comprehensive environmental enterprise specialising in the disposal of industrial hazardous waste, disassembly of waste electrical appliances and electronic products, comprehensive resource utilisation, and power battery recycling. Benefiting from the national waste electrical and electronic equipment treatment fund subsidies, it owns an annual disassembly capacity of 2.65 million units and obtained hazardous waste management licenses approved by the Hefei Municipal Ecology and Environmental Bureau in January 2022 to commence its business for the Hefei City Hazardous Waste Comprehensive Transfer and Disposal Centre (合肥市危險廢棄物綜合轉運處理中心). The Guangyuan Technology Project for the Collection, Storage, and Transfer Centre of Hazardous Waste for Micro and Small Enterprises possesses operational qualifications for 13 major categories and 67 subcategories of hazardous waste listed in the Directory of National Hazardous Wastes, with a capacity to collect and store hazardous waste of 10,000 tonnes per year. The disassembly business process for electrical appliances and electronic products of Guangyuan Technology was implemented strictly complying with the “Guidelines for the Standardized Disassembling and Disposal Operations and Production Management of Waste Electrical and Electronic Equipment 2015” (廢棄電器電子產品規範拆解處理作業及生產管理指南(2015年版)) issued by the Ministry of Ecology and Environment and the Ministry of Industry and Information Technology. It primarily adopted a comprehensive disassembly and disposal procedure that combines manual dismantling and mechanical disposal and carries out in-depth mechanical sorting and separation of the dismantled materials. The materials generated in the recycling process are then delivered to enterprises holding hazardous waste operation licenses for recycling or disposal. Guangyuan Technology designated Hefei City as the main raw material procurement market and has established a presence in over 30 surrounding counties and cities. It entered into procurement contracts with large local customers monthly, adopting pricing on a market floating basis that considers market conditions and supplier transportation distances. The bidding and quotation would be conducted based on the quantity of dismantled products and market conditions, before customers picked up goods on-site, with arrival of products upon receipt of payment.

# MANAGEMENT DISCUSSION AND ANALYSIS

## ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The Company adheres to the development strategy of “focusing on gold” and is committed to a more outstanding international development layout. From 2021 to 2023, the Company’s gold production growth and operational efficiency improvements outperformed the industry average. The Company’s favorable performance in development trends is primarily based on the following competitive advantages.

### (I) Ambitious management team and sound incentive mechanism

The Company’s management team is composed of experts with extensive experience in the mining sector and capital markets, covering various fields such as corporate management, mining, mineral processing, geology, surveying, finance, and law. Mr. Wang Jianhua, our Chairman, possesses outstanding management capabilities and extensive experience in large corporate groups. Core senior management personnel, including our Chief Executive Officer, have held significant positions in globally renowned mining enterprises, demonstrating strong business performance. The Company has also recruited scholars and professors from prestigious universities and institutions, injecting substantial professional expertise into the Board.

The Company adheres to the corporate culture of “Mutual Prosperity and Development, Sharing Responsibilities and Benefits”, advocating a partnership where our Shareholders, managers and workers share the successes and face the challenges together, as they are all invested in the same collective goal. It has adopted a long-term internal incentive mechanism, such as employee stock ownership plans, to permeate Shares to the frontline, deeply binding core personnel with the development of the Company. This effectively motivates the management team and core personnel, aligning the team with a highly consistent mission, vision, and enterprising spirit. After years of exploration and practice, the Company has gradually established a management model and incentive assessment mechanism that aligns with the Company’s actual conditions, achieving remarkable results in cost control and improving labour efficiency. Meanwhile, the Company has strengthened its international management and operations team, improved management decision-making processes and response mechanisms worldwide, enabling the Company to effectively manage its global operations and assess quality acquisition opportunities.

### (II) Further acquire resources, increase resources and reserves, and enhance production potential

The ore grade of some mines under the domestic mining subsidiaries of the Company is relatively high, belonging to the rare high-grade rich deposits in the PRC. Compared to similar gold mining enterprises, the unit cost of gold production of the Company is relatively low, and the gross profit margin is higher. The Company’s existing mines have favorable mineralization conditions, and most of the mining areas still have the potential for further exploration to acquire more resources.

The Sepon Gold and Copper Mine, operated by the Company’s subsidiary, LXML, is the largest non-ferrous metal mine in Laos. It enjoys exclusive rights to explore and exploit mineral resources over an area of more than 1,000 km<sup>2</sup>, including the Sepon mining area, with broad prospects for exploration. The core asset of the Company’s subsidiary, Jinxing Resources, is the Wassa Gold Mine located in Ghana. The Wassa Gold Mine is situated in a favorable mineralization zone on the renowned Ashanti Gold Belt. The potential for exploration within and around the mining area remains significant. The mining rights of the Wassa Gold Mine are located on the eastern edge of the southern part of the Ashanti Gold Belt, extending approximately 70 km. It is the largest gold enterprise in Ghana in terms of mining rights area.



## MANAGEMENT DISCUSSION AND ANALYSIS

The Company's wholly-owned subsidiary, Hanfeng Mining, is a zinc-lead-copper-molybdenum polymetallic mining enterprise. The "Jilin Tianbaoshan-Kaishantun" area where Hanfeng Mining is located is a key exploration area for important mineral resources. This region has excellent geological conditions for mineralization and is an important concentration area for polymetallic mineralization.

Each of the Company's mines has developed plans for resource exploration, capacity, and production increase. The mine expansion plans have high visibility and certainty, and resource reserve increments are continuously achieved through exploration activities. On the other hand, the Company will also focus on enhancing resources to seek and acquire suitable and high-quality assets to maintain sustainable growth. The Company possesses extensive experience in overseas mergers and acquisitions, has a proven track record in identifying synergistic acquisition targets, executing transactions, and integrating global operations, and has established a mature decision-making and execution system.

### (III) Continuously tap potential and control expenses, maintaining the ability to operate at relatively low costs

Under the leadership of the management team, the Company has implemented targeted cost reduction and efficiency enhancement strategies based on the actual conditions of each mine. It continues to research and apply new technologies, and through centralized procurement, optimization of organizational and personnel structures, among other measures, aims to continuously lower production costs, positioning the Company more favorably on the cost curve.

The Sepon Gold and Copper Mine and the Wassa Gold Mine have both been operating steadily for many years, equipped with internationally advanced mining production technology. Since the resumption of gold production in 2020, through independent research and external exchanges, LXML's Sepon Gold and Copper Mine has made significant progress in overcoming challenges related to difficult-to-process ores, continuously improving its processing and recovery processes. The ore processing recovery rate has increased by nearly 20% since the start of production. The Company has achieved good results in reducing the costs of the Wassa Gold Mine through measures such as optimizing procurement channels, improving material utilization rates, and expanding production capacity. At the domestic mines in China, the Company continuously enhances mining operation efficiency through progressive investment and transformation.

The Company conducts a detailed review of procurement channels and performs trial orders in batches, introducing high cost-performance suppliers into the procurement system to form healthy competition. The Company also expands the range of supplier selection and increases procurement efforts in low-cost regions. Centralized procurement has become an important approach for the Company to reduce costs and control expenses.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OPERATING REVIEW OF THE REPORTING PERIOD

In 2024, the Company recorded revenue from its principal business of RMB8,975.7776 million, among which, the mining segment produced 15.16 tonnes of mined gold, representing an increase of 5.60% as compared to the previous year, and 6.2 thousand tonnes of copper cathodes, representing a decrease of 4.51% as compared to the previous year. This segment recorded revenue from its the principal business of RMB8,717.4758 million, accounting for 97.12% of the Company's revenue from its principal business. As at the end of the Reporting Period, the Company's total assets were RMB20,328.5686 million, and the net assets attributable to Shareholders of the parent company were RMB7,916.8110 million, representing an increase of 8.61% and 28.69%, respectively, as compared to the same period last year.

### (I) Analysis of Principal Business

#### 1. Analysis of the changes in relevant items in the statement of income and cash flow

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the corresponding period of last year	Percentage of change (%)
Revenue	<b>9,025,821,822.22</b>	7,220,951,536.26	24.99
Cost of sales	<b>5,068,770,478.41</b>	4,868,615,073.33	4.11
Selling expenses	<b>348,745.14</b>	689,058.34	-49.39
Administrative expenses	<b>492,286,721.36</b>	461,372,054.59	6.70
Finance costs	<b>155,363,874.45</b>	193,139,295.18	-19.56
Research and development expenses	<b>63,615,898.70</b>	51,752,511.95	22.92
Net cash flows from operating activities	<b>3,268,480,659.70</b>	2,203,080,341.36	48.36
Net cash flow from investing activities	<b>-958,411,154.21</b>	-1,771,118,501.70	
Net cash flows from financing activities	<b>-1,097,464,248.48</b>	-228,120,260.48	

## MANAGEMENT DISCUSSION AND ANALYSIS

- (1) Reasons for changes in revenue: revenue increased compared to the corresponding period of last year, primarily due to the year-on-year rise in gold sales volume and selling price;
- (2) Reasons for changes in cost of sales: cost of sales increased compared to the corresponding period of last year, mainly due to the year-on-year increase in gold sales volume;
- (3) Reasons for changes in selling expenses: selling expenses decreased compared to the corresponding period of last year, mainly due to a year-on-year reduction in material consumption costs and travel expenses;
- (4) Reasons for changes in administrative expenses: administrative expenses increased compared to the corresponding period of last year, mainly due to a year-on-year increase in the Group's labour expenses and professional service fees;
- (5) Reasons for changes in finance costs: finance costs decreased compared to the corresponding period of last year, primarily due to an increase in the Group's own funds and a corresponding year-on-year increase in interest income;
- (6) Reasons for changes in research and development expenses: research and development expenses increased compared to the corresponding period of last year, mainly due to the increased investment in research and development by Jilong Mining and Wulong Mining;
- (7) Reasons for changes in net cash flow from operating activities: the increase in net cash flow from operating activities was mainly due to the rise in sales volume and sales price of mined gold, which led to an increase in proceeds from sales during the current period;
- (8) Reasons for changes in net cash flow from investing activities: the year-on-year decrease in the net cash outflow from investing activities was mainly due to the combined impact from the recovery of investment on the disposal of equity in Tietto Minerals during the period, coupled with a decrease in capital expenditures;
- (9) Reasons for changes in net cash flow from financing activities: the net cash outflow from financing activities was mainly due to a significant year-on-year decrease in net debt during the current period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Revenue and Cost of sales Analysis

### (1) Principal business by sector, product, region, and sales model

Unit: Yuan Currency: RMB

Analysis of the principal business by sector						
By sector	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue as compared to last year (%)	Year-on-year change in cost of sales (%)	Year-on-year change in gross profit margin
Mining sector	8,717,475,766.34	4,796,302,401.77	44.98	27.86	6.66	Increased by 10.93%
Comprehensive resource recycling and utilization	258,301,841.50	231,659,248.11	10.31	-35.16	-37.56	Increased by 3.45%

Analysis of the principal business by product						
By product	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue as compared to last year (%)	Year-on-year change in cost of sales (%)	Year-on-year change in gross profit margin
Mined gold	7,978,456,843.25	4,231,829,584.72	46.96	26.20	4.09	Increased by 11.27%
Copper cathode	407,334,926.11	364,462,458.22	10.53	6.75	1.65	Increased by 4.50%
Copper concentrate	20,359,687.51	7,664,728.50	62.35	27.55	8.88	Increased by 6.45%
Lead concentrate	57,419,874.96	21,014,677.71	63.40	93.05	73.11	Increased by 4.21%
Zinc concentrate	122,193,933.00	79,600,709.40	34.86	86.93	54.54	Increased by 13.65%
Molybdenum concentrate	123,285,540.04	87,597,095.36	28.95	N/A	N/A	N/A
Mined silver	8,424,961.47	4,133,147.86	50.94	171.19	137.01	Increased by 7.07%
Others (Disassembly of electronic products)	258,301,841.50	231,659,248.11	10.31	-35.16	-37.56	Increased by 3.45%



# MANAGEMENT DISCUSSION AND ANALYSIS

## Analysis of the principal business by region

By region	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue as compared to last year	Year-on-year change in cost of sales	Year-on-year change in gross profit margin
				(%)	(%)	(%)
Domestic regions	2,737,784,634.40	1,046,796,528.40	61.76	35.23	10.21	Increased by 8.68%
Overseas regions	6,237,992,973.44	3,981,165,121.48	36.18	20.15	1.62	Increased by 11.64%

Approximately 69.50% of the Company's revenue from its principal business activities is derived from overseas mining operations.

## (2) Analysis of Production and Sales Volume

Major products	Unit	Production Volume	Sales volume	Inventory	Unit sales price	Changes in production volume compared with last year	Changes in sales volume compared with last year	Changes in inventory compared with last year	Change in unit selling price as compared with last year
						(%)	(%)	(%)	(%)
Mined gold	kg	15,158.08	15,218.00	519.63	524.28 RMB/gram	5.60	4.88	-10.34	20.32
Copper cathode	tonne	6,192.77	6,273.30	457.07	64,931.52 RMB/tonne	-4.51	-2.42	-14.98	9.40
Copper concentrate	tonne	1,380.65	1,396.46	28.01	14,579.48 RMB/tonne	-4.04	-4.91	-36.08	34.13
Lead concentrate	tonne	4,051.09	4,109.47	148.46	13,972.58 RMB/tonne	49.15	62.30	-28.22	18.94
Zinc concentrate	tonne	14,894.43	15,324.79	179.05	7,973.61 RMB/tonne	31.96	41.38	-70.62	32.21
Molybdenum concentrate	tonne	686.79	884.37	8.90	139,404.93 RMB/tonne	232.62	N/A	-95.96	N/A
Mined silver	kg	1,370.95	1,370.95	-	6.15 RMB/gram	-40.84	-41.09	N/A	14.87

# MANAGEMENT DISCUSSION AND ANALYSIS

## (3) Analysis of Cost Components

Unit: Yuan Currency: RMB

By sector	Cost components	Amount for the current period	Percentage of total cost for current period (%)	Amount for the corresponding period of last year	Change in amount for the current period as compared with the corresponding period of last year	
					Percentage of total cost for the corresponding period of last year (%)	Change in amount for the current period as compared with the corresponding period of last year (%)
Mining sector	Labour expense	841,481,125.15	17.54	680,649,187.58	15.14	23.63
	Materials expense	1,828,408,052.34	38.13	1,652,910,020.52	36.76	10.62
	Electricity fees	355,147,614.06	7.40	351,331,957.82	7.81	1.09
	Depreciation charge	1,247,246,236.00	26.00	1,318,343,687.94	29.32	-5.39
	Services and Others	524,019,374.22	10.93	493,409,421.68	10.97	6.20
	Subtotal	4,796,302,401.77	100.00	4,496,644,275.54	100.00	6.66
Resource recycling and utilization	Labour expense	7,125,473.31	3.08	10,334,628.72	2.79	-31.05
	Materials expense	217,525,032.46	93.89	353,090,036.30	95.17	-38.39
	Electricity fees	824,820.15	0.36	1,376,766.06	0.37	-40.09
	Depreciation charge	3,220,484.76	1.39	3,979,254.85	1.07	-19.07
	Services and Others	2,963,437.43	1.28	2,237,998.79	0.60	32.41
	Subtotal	231,659,248.11	100.00	371,018,684.72	100.00	-37.56

# MANAGEMENT DISCUSSION AND ANALYSIS

Product	Cost components	Amount for the current period	Percentage of total cost for current period (%)	Amount for the corresponding period of last year	Change in amount for the current period as compared with the corresponding period of last year	
					Percentage of total cost for the corresponding period of last year (%)	Percentage of total cost for the corresponding period of last year (%)
Mined gold	Labour expense	712,583,460.55	16.84	626,527,890.81	15.41	13.74
	Materials expense	1,627,144,657.07	38.44	1,471,688,234.08	36.20	10.56
	Electricity fees	292,750,592.58	6.92	314,061,643.47	7.72	-6.79
	Depreciation charge	1,144,199,926.19	27.04	1,213,203,333.84	29.84	-5.69
	Services and Others	455,150,948.33	10.76	440,170,202.61	10.83	3.40
	Subtotal	4,231,829,584.72	100.00	4,065,651,304.81	100.00	4.09
Copper cathode	Labour expense	33,278,523.78	9.13	28,306,779.96	7.89	17.56
	Materials expense	162,533,099.09	44.59	169,247,570.68	47.21	-3.97
	Electricity fees	26,158,019.22	7.18	23,677,679.74	6.60	10.48
	Depreciation charge	84,040,639.26	23.06	95,954,219.81	26.76	-12.42
	Services and Others	58,452,176.87	16.04	41,375,804.44	11.54	41.27
	Subtotal	364,462,458.22	100.00	358,562,054.63	100.00	1.65
Copper concentrate	Labour expense	3,380,063.37	44.10	2,439,546.45	34.66	38.55
	Materials expense	1,423,184.48	18.57	1,133,513.31	16.10	25.56
	Electricity fees	1,486,346.77	19.39	1,336,185.96	18.98	11.24
	Depreciation charge	842,448.21	10.99	910,417.99	12.93	-7.47
	Services and Others	532,685.67	6.95	1,220,261.81	17.33	-56.35
	Subtotal	7,664,728.50	100.00	7,039,925.52	100.00	8.88
Lead concentrate	Labour expense	9,267,248.32	44.10	4,310,195.50	35.51	115.01
	Materials expense	3,901,999.02	18.57	2,042,939.28	16.83	91.00
	Electricity fees	4,075,173.48	19.39	2,346,344.25	19.33	73.68
	Depreciation charge	2,309,772.31	10.99	1,513,033.96	12.46	52.66
	Services and Others	1,460,484.58	6.95	1,927,140.75	15.87	-24.21
	Subtotal	21,014,677.71	100.00	12,139,653.74	100.00	73.11
Zinc concentrate	Labour expense	35,103,062.28	44.10	18,279,653.68	35.49	92.03
	Materials expense	14,780,235.70	18.57	8,489,015.32	16.48	74.11
	Electricity fees	15,436,196.76	19.39	9,770,971.56	18.97	57.98
	Depreciation charge	8,749,099.91	10.99	6,383,018.08	12.39	37.07
	Services and Others	5,532,114.75	6.95	8,584,794.06	16.67	-35.56
	Subtotal	79,600,709.40	100.00	51,507,452.70	100.00	54.54

# MANAGEMENT DISCUSSION AND ANALYSIS

Product	Cost components	Amount for the current period	Percentage of total cost for current period (%)	Amount for the corresponding period of last year	Change in amount for the current period as compared with the corresponding period of last year	
					Percentage of total cost for the corresponding period of last year (%)	current period as compared with the corresponding period of last year (%)
Molybdenum concentrate	Labour expense	45,930,915.19	52.44	–		100.00
	Materials expense	17,880,772.09	20.41	–		100.00
	Electricity fees	14,850,759.01	16.95	–		100.00
	Depreciation charge	6,276,757.46	7.17	–		100.00
	Services and Others	2,657,891.61	3.03	–		100.00
	Subtotal	87,597,095.36	100.00	–		100.00
Mined silver	Labour expense	1,937,851.67	46.89	785,121.18	45.03	146.82
	Materials expense	744,104.89	18.00	308,747.85	17.70	141.01
	Electricity fees	390,526.23	9.45	139,132.84	7.98	180.69
	Depreciation charge	827,592.66	20.02	379,664.26	21.77	117.98
	Services and Others	233,072.41	5.64	131,218.01	7.52	77.62
	Subtotal	4,133,147.86	100.00	1,743,884.14	100.00	137.01
Others	Labour expense	7,125,473.31	3.08	10,334,628.72	2.79	-31.05
	Materials expense	217,525,032.46	93.89	353,090,036.30	95.17	-38.39
	Electricity fees	824,820.15	0.36	1,376,766.06	0.37	-40.09
	Depreciation charge	3,220,484.76	1.39	3,979,254.85	1.07	-19.07
	Services and Others	2,963,437.43	1.28	2,237,998.79	0.60	32.41
	Subtotal	231,659,248.11	100.00	371,018,684.72	100.00	-37.56



# MANAGEMENT DISCUSSION AND ANALYSIS

## (4) Analysis of Unit Selling Costs and Gross Profit Margin

Unit: Yuan Currency: RMB

Items Name of the product	Unit	Selling costs			Gross profit margin (%)	
		2024	2023	Year-on-year (%)	2024	2023
Mined gold	RMB/g	278.08	280.20	-0.76	46.96	35.69
Copper cathode	RMB/t	58,097.41	55,775.35	4.16	10.53	6.03
Copper concentrate	RMB/t	5,488.68	4,793.96	14.49	62.35	55.90
Lead concentrate	RMB/t	5,113.72	4,794.53	6.66	63.40	59.19
Zinc concentrate	RMB/t	5,194.25	4,751.99	9.31	34.86	21.21
Molybdenum concentrate	RMB/t	99,050.28		N/A	28.95	
Mined silver	RMB/g	3.01	3.00	0.33	50.94	43.87
Overall gross profit margin <sup>(Note)</sup>					43.84	32.58

Note: The comprehensive gross profit margin is the overall gross profit margin of the Group, including mining, comprehensive resource utilization and recycling, and others.

## (5) Analysis of the Unit Cost of Mined Gold

	Unit cost for the current period		Unit cost for the previous period		Percentage of change	
	Selling costs	All-in sustaining cost	Selling costs	All-in sustaining cost	Change in selling costs as compared with the corresponding period of last year (%)	All-in sustaining cost change from the corresponding period of last year (%)
Mined gold (RMB/gram)	278.08	281.19	280.20	267.17	-0.76	5.25

Note: Selling cost refers to the cost of principal business stated in the income statement. All-in sustaining cost refers to the cash costs, taxes and surcharges, plus sustaining capital expenditure in principal business costs, sales expenses, and administrative expenses.

## MANAGEMENT DISCUSSION AND ANALYSIS

	Unit cost for the current period		Unit cost for the previous period		Percentage of change	
	Selling costs	All-in sustaining cost	Selling costs	All-in sustaining cost	Change in selling costs as compared with the corresponding period last year (%)	All-in sustaining cost change from the corresponding period of last year (%)
Domestic mines (RMB/gram)	157.09	224.54	152.69	198.81	2.88	12.94
LXML (USD/oz)	1,497.05	1,323.75	1,489.89	1,330.00	0.48	-0.47
GSWL (USD/oz)	1,303.89	1,304.46	1,315.47	1,197.13	-0.88	8.97

(6) *Information on major customers and suppliers*

A. Major customers of the Company

The sales to the top five customers amounted to RMB6,952.5438 million, accounting for 77.03% of the total sales for the year, among which the sales to related parties were nil, accounting for 0% of the total sales for the year. The sales income from the largest customer accounted for 33.21% of the total sales income for the year.

B. Major suppliers of the Company

Purchases from the top five suppliers amounted to RMB943.7898 million, accounting for 18.89% of the total purchase amount for the year, among which the purchases from related parties were nil, accounting for 0% of the total purchase amount for the year. The procurement amount of the largest supplier accounted for 7.50% of the total procurement amount of the year.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 3. R&D investment

### (1) Statement of R&D Investment

Unit: ten thousands Yuan    Currency: RMB

Expensed R&D investment for the period	6,361.59
Capitalized R&D investment for the period	–
Total R&D investment	6,361.59
Total R&D investment as a percentage of revenue (%)	0.70
Proportion of capitalized R&D investment (%)	–

### (2) Information on R&D employees

Number of R&D employees of the Company	307
R&D employees as a percentage of the total number of staff of the Company (%)	4%

#### Educational background structure of R&D employees

Degree	Number
Doctor's degree	0
Master's degree	0
Bachelor's degree	26
Associate degree	47
High schools and below	234

#### Age of R&D employees

Age	Number
Under 30 years old (excluding 30)	15
30-40 years old (30 years old inclusive, 40 years old exclusive)	85
40-50 years old (40 years old inclusive, 50 years old exclusive)	113
50-60 years (50 years old inclusive, 60 years old exclusive)	89
60 years old and above	5

# MANAGEMENT DISCUSSION AND ANALYSIS

## (II) Key Accounting Data and Financial Indicators for the Reporting Period

### 1. Key quarterly financial data 2024

Unit: Yuan Currency: RMB

	Q1 (Jan-Mar)	Q2 (Apr-Jun)	Q3 (Jul-Sep)	Q4 (Oct-Dec)
Revenue	1,853,842,113.41	2,342,294,733.48	2,026,693,783.54	2,802,991,191.79
Net profit attributable to Shareholders of the listed company	200,507,242.93	509,992,432.46	394,666,065.98	659,173,909.62
Net profit attributable to Shareholders of the listed company after deducting non-recurring profits and losses	204,645,049.55	434,442,837.74	399,133,636.03	662,032,117.68
Net cash flows from operating activities	387,683,907.25	1,047,309,347.92	568,184,527.32	1,265,302,877.21

### 2. Non-recurring gains or losses items and amounts

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	2024	2023
Gains or losses from disposal of non-current assets, including the write-off of the provision for impairment of assets	<b>70,752,328.28<sup>(note)</sup></b>	-1,853,354.37
Government grants included in the current profit or loss, except those that are closely related to the Company's normal business operations, which comply with national policies and can be obtained based on established standards, and which have a continuing impact on the Company's profit or loss.	<b>2,444,570.99</b>	16,950,168.86
Profit or loss arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and profit or loss from the disposal of financial assets and financial liabilities other than effective hedging activities related to the Company's normal business operations	<b>-6,695,775.42</b>	-64,209,788.86
Reversal of impairment provision for trade receivables that had an impairment test individually	<b>1,777,552.54</b>	—
Non-operating income and expenses rather than those mentioned above	<b>-4,653,206.01</b>	-1,716,908.23
Other profit or loss items within the definition of non-recurring profit and loss	<b>262,525.77</b>	309,412.29
Less: Effect of income tax	<b>-118,442.13</b>	3,026,021.00
Impact on minority interests (after tax)	<b>-79,571.71</b>	8,762,249.32
<b>Total</b>	<b>64,086,009.99</b>	-62,308,740.63



# MANAGEMENT DISCUSSION AND ANALYSIS

*Note:* Gains or losses on disposal of non-current assets in 2024 were primarily investment gains realized on the transfer of the equity interests in Tietto Minerals.

## 3. Items measured at fair value

Unit: Yuan Currency: RMB

	Balance at the beginning of the period	Balance as at the end of the period	Current change	Impact on the current profit
Financial assets held for trading	16,909,469.31	9,998,984.68	(6,910,484.63)	(6,758,713.94)
Derivative financial instruments	13,470,040.00	5,251,800.00	(8,218,240.00)	74,798,735.80
Financial liabilities held for trading	(939,996,400.00)	(707,020,000.00)	232,976,400.00	(227,110,710.83)
Total	(909,616,890.69)	(691,769,215.32)	217,847,675.37	(159,070,688.97)

## 4. Key Financial Ratios

Financial Ratios	As at 31 December 2024	As at 31 December 2023	Change for the current period over the corresponding period of last year	Reasons for change
Current ratio <sup>(note 1)</sup>	<b>158.09%</b>	131.51%	Increase of 26.58%	The scale of the Company's own funds has increased
Quick ratio <sup>(note 2)</sup>	<b>88.56%</b>	64.60%	Increase of 23.96%	The scale of the Company's own funds has increased
Gearing ratio <sup>(note 3)</sup>	<b>47.25%</b>	54.36%	Decrease of 7.11%	The scale of corporate debt decreased year-on-year

*Notes:* 1. Current ratio is calculated using total current assets divided by the total current liabilities.

2. Quick ratio is calculated using total current assets less inventories and prepayments divided by total current liabilities.

3. Gearing ratio is calculated as total liabilities of the Group divided by total assets of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 5. *Liquidity and Financial Resources*

As at 31 December 2024, the Group had cash and bank balances of RMB2,747 million (as at 31 December 2023: RMB1,662 million).

As at 31 December 2024, the Group had interest-bearing bank liabilities of RMB2,697 million (as at 31 December 2023: RMB3,430 million), of which the interest-bearing bank liabilities due within one year amounted to RMB2,097 million (as at 31 December 2023: RMB2,008 million); the interest-bearing bank liabilities due within one to two years amounted to RMB380 million (as at 31 December 2023: RMB988 million); the interest-bearing bank liabilities due within two to five years amounted to RMB220 million (as at 31 December 2023: RMB434 million).

The interest-bearing bank liabilities consisted of three categories: short-term borrowings, trading financial liabilities, and long-term borrowings.

Short-term borrowings: As at 31 December 2024, the short-term borrowings amounted to RMB1,108 million at an interest rate ranging from 2.35% to 5.70% per annum (as at 31 December 2023: RMB850 million, an interest rate ranging from 2.45% to 7.50% per annum).

Financial liabilities held for trading: the Group has entered into gold leasing contracts with banks for financing purposes, under which it leased gold within the bank's credit limit and sold the gold through the Shanghai Gold Exchange trading system. The Group repurchased an equivalent amount of gold with the same specifications through the system before the lease expiry date to repay the bank on the due date. The agreed lease fee is paid on schedule (generally on the bank's quarterly interest payment date), and the lease term is generally within 1 year (inclusive). The year-end balance of liabilities from gold leasing represents the fair value of gold borrowed from banks as at the balance sheet date. As at 31 December 2024, the amount of financial liabilities at fair value through profit or loss was RMB707 million (as at 31 December 2023: RMB940 million).

Long-term borrowings (including long-term borrowings due within one year): As at 31 December 2024, the long-term borrowings amounted to RMB882 million at an interest rate ranging from 3.20% to 5.69% per annum (as at 31 December 2023: RMB1,640 million at an interest rate of 3.50% to 9.15% per annum).

For the year ended 31 December 2024, the Group financed its operations through bank loans and internally generated cash flows. The Group pursues a prudent treasury management policy and actively managed its liquidity position with sufficient standby banking facilities to cope with daily operation and any demands for capital in future development.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 6. Foreign Exchange Risk Management

The reporting currency of the Group and the functional currencies of its domestic subsidiaries is RMB, while the functional currencies of the Group's overseas subsidiaries are mainly USD. Some of the Group's assets are located in Laos and Ghana. The cost of sales and expenses of overseas subsidiaries are, in some cases, denominated in local currencies and are therefore the Group is exposed to fluctuations in the USD, KIP and GH¢. In addition, as the presentation currency of the Group is RMB and the functional currency of our overseas subsidiaries is USD, the financial reporting amounts of the overseas subsidiaries are translated into RMB for consolidation purposes.

The Group manages its foreign exchange business in a coordinated manner and uses forward exchange contracts to minimize its exposure to exchange rate risk when necessary, depending on the market trend. At the same time, the Group usually holds a very small amount of cash in local currencies to avoid exposure to local currency fluctuations and purchases local currencies only when local payments are required. The Group is able to use all Ghanaian Cedis received from the Bank of Ghana or Lao Kip and Ghanaian Cedis converted from U.S. dollar revenues for the Group's operating and capital expenditures at short period of time to keep our local currency cash at a minimum level. The Group continuously monitors its exposure to foreign currency exchange risk.

### (III) Analysis of Assets and Liabilities

#### 1. Assets and liabilities

Unit: Yuan Currency: RMB

Items	Closing balance for the period	Closing balance for the period as a percentage of total assets (%)	Closing balance for the previous period	Closing balance for the previous period as a percentage of total assets at the end of last year (%)	Year-on-year change of the closing balance (%)	Explanations
Cash and bank balances	2,747,442,442.93	13.52	1,662,283,423.20	8.88	65.28	During the current period, the Company's operating cash inflow increased year-on-year, with an increase in retention of own funds
Trade receivables	587,165,738.54	2.89	513,213,184.61	2.74	14.41	Gold sales receivable from domestic and overseas mines increased during the current period

# MANAGEMENT DISCUSSION AND ANALYSIS

Items	Closing balance for the period	Closing balance for the period as a percentage of total assets (%)	Closing balance for the previous period	Closing balance for the previous period as a percentage of total assets at the end of last year (%)	Year-on-year change of the closing balance (%)	Explanations
Other current assets	141,333,280.01	0.70	103,110,739.87	0.55	37.07	There were intermediary fees for Shares listed in Hong Kong for the current period
Long-term equity investments	3,955,645.67	0.02	373,480,577.43	2.00	-98.94	Equity investment in Tietto Minerals held during the current period was transferred
Construction in progress	677,866,937.65	3.33	592,313,143.29	3.16	14.44	The Group's investment in production expansion projects for the period increased on a year-on-year basis
Short-term borrowings	1,108,199,165.67	5.45	850,009,317.45	4.54	30.37	There was additional bank-hedged gold leasing financing by the headquarters and Jilong Mining during the current period
Financial liabilities held for trading	707,020,000.00	3.48	939,996,400.00	5.02	-24.78	Made repayment of the due gold lease financing during the current period
Taxes payables	698,951,345.10	3.44	472,985,750.24	2.53	47.77	The corporate income tax payables increased
Other payables	225,263,620.79	1.11	316,105,510.91	1.69	-28.74	Decrease in payables to entities during the current period
Non-current liabilities due within one year	398,463,926.07	1.96	341,631,615.55	1.83	16.64	The long-term borrowings due within one year increased during the current period
Long-term borrowings	599,502,985.86	2.95	1,421,974,104.54	7.60	-57.84	Made early repayment of part of long-term borrowings



## MANAGEMENT DISCUSSION AND ANALYSIS

### 2. Overseas assets

#### (1) Asset Size

Overseas assets were RMB14,707.9029 million, accounting for 72.35% of total assets.

#### (2) Restrictions on major assets as at the end of the Reporting Period

Unit: ten thousands Yuan Currency: RMB

Name of overseas assets	Reason of Formation	Operational Model	Revenue for the Reporting Period	Net profit for the Reporting Period
LXML	Mergers and acquisitions	Self-operation	333,979.44	54,016.45
Golden Star Resources	Mergers and acquisitions	Self-operation	290,136.43	23,142.48

### 3. Main restrictions on assets as at the end of the Reporting Period

Unit: Yuan Currency: RMB

	Closing book value	Reasons for such restrictions
Cash and bank balances	230,543,475.83	Note 1
Other current assets	87,136,340.00	Note 2
Other non-current assets	113,848,420.90	Note 3
Fixed assets	232,604,622.13	Note 4
Intangible assets	55,418,562.78	Note 5
Total	719,551,421.64	/

**Note 1:** As at 31 December 2024, the Group's cash and bank balances restricted from being used was RMB230,543,475.83, listed under "Other Cash and Bank balances". Among them, RMB12,580,180.75 is the fund provided for mine geological environment governance and restoration, with the relevant amount deposited in a designated bank account and restricted for use in land reclamation and environmental protection after mine closure; RMB141,071,348.77 is the bank deposit for handling gold leasing business; RMB76,891,946.31 is a six-month term deposit, with the deposit period from 27 August 2024 to 27 February 2025, at an interest rate of 1.6%.

**Note 2:** As at 31 December 2024, other current assets of the Group restricted from being used amounted to RMB87,136,340.00, with the restriction due to futures margin occupation.

# MANAGEMENT DISCUSSION AND ANALYSIS

Note 3: As at 31 December 2024, other non-current assets of the Group restricted from being used (including the portion due within one year) amounted to RMB113,848,420.90, which were restricted due to the Group’s contribution to the mine geological environment governance and restoration fund that cannot be withdrawn at any time.

Note 4: As at 31 December 2024, the Group’s long-term borrowings of RMB200,830,324.57 were secured by fixed assets of Wulong Mining and Jilong Mining with carrying amounts of RMB162,997,409.17 and RMB69,607,212.96, respectively.

Note 5: As at 31 December 2024, the Group’s long-term borrowings of RMB403,376,482.29 were secured by the pledge of 100% equity interests of Wulong Mining, 100% equity interests of Jilong Mining and 100% equity interests of Chijin HK with intangible assets at carrying value of RMB55,418,562.78 used as collateral.

Apart from the above, the Group has no material pledge of assets or contingent liabilities as at 31 December 2024.

## (IV) Analysis of Industry Operational Information

Analysis on business information of non-ferrous metal industry

Costs of ore raw materials

Unit: ten thousands    Yuan Currency: RMB

Type and source of ore raw materials	Total costs of raw materials	Proportion (%)	Increase or decrease in total costs of raw materials compared with the same period last year (%)
Self-owned mines	254,677.18	100	18.60
Total	254,677.18		18.60

# MANAGEMENT DISCUSSION AND ANALYSIS

## (V) Analysis on Investments

### Overall analysis of external equity investments

On 4 March 2024, our holding subsidiary, Chijin Xiawu, and its wholly-owned subsidiary Chixia Laos entered into an equity transfer agreement with China Investment (Property) Limited (“**China Investment**”). Chixia Laos intends to acquire 90% equity interest in China Investment Mining (Laos) Sole Co., Ltd. held by China Investment Property by way of cash and debt assumption, with a total transaction consideration of US\$18.963 million.

During the Reporting Period, the Company transferred all Shares of Tietto Minerals held by its wholly-owned subsidiary Chijin HK to Zhaojin Capital, with a transaction consideration of AUD0.68 per share.

For further details of the above transactions, please refer to the section headed “Significant Investments, Material Acquisitions or Disposals of Subsidiaries and Associated Companies” of the Report of the Directors in this annual report.

Save as the above, during the Reporting Period, the Company did not carry out any significant external equity investments.

### 1. Significant non-equity investment

Unit: ten thousands Yuan Currency: RMB

Project name	Investment for the period	Accumulated Investment Amount	Source of funding	Project Progress	Expected target
New Plant Expansion for Jilong Mining	12,727.03	16,587.41	Self-owned fund	Completion	New annual ore processing capacity of 180,000 tonnes
Tianbaoshan Lead-Zinc Mine and Lishan Mining Area Expansion Project of Hanfeng Mining with an annual mining capacity of 600,000 tonnes	9,279.95	19,315.03	Fundraising	Completion	Annual ore processing up to 600,000 tonnes
Far West Project of LXML	13,143.84	13,143.84	Self-owned fund	Partially completed	Annual mining volume of 1.30 million tonnes
GSWL Underground Mining Project	24,241.04	95,278.43	Self-owned fund	Under construction	Annual mining capacity of 3.30 million tonnes

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Derivative investments

On 29 March 2024, the Company held the 26th meeting of the eighth session of the Board and considered and approved the “Proposal on the Launch of Futures Hedging Activities in 2024”. It was agreed that the Company would make use of the hedging function of financial instruments to mitigate risks associated with the prices of major products such as gold and copper cathodes, as well as foreign exchange rate fluctuations, to ensure profit margins from product sales, control funding costs related to gold leasing financing and foreign currency borrowings, and carry out hedging activities on major products related to production and operation, gold leasing financing, and foreign exchange risk exposures at appropriate times. This aims to enhance the Company’s risk resistance capability and ensure stable operations.

## 3. Analysis of major companies in which the Company has Invested

Unit: ten thousands Yuan Currency: RMB

Company Name	Principal Business	Principal Business Qualification	Registered Capital	Total Assets	Net Assets	Operating income	Net profit
Jilong Mining	Gold mining and processing	2 mining rights and 1 exploration right	17,500	311,277.08	120,342.39	80,774.19	79,230.46
Huatai Mining	Gold mining and processing	6 mining rights and 5 exploration rights	2,000	28,665.45	-1,672.91	53.77	-3,922.78
Wulong Mining	Gold mining and processing	1 mining right and 2 exploration rights	4,000	179,675.48	113,208.17	119,497.47	60,096.81
Xinhenghe Mining	Gold mining and processing	1 mining right and 1 exploration right	4,000	31,511.90	12,909.31	15,420.88	7,292.80
Hanfeng Mining	Non-ferrous metal mining and processing	2 mining rights and 1 exploration right	42,920	68,543.48	51,474.02	32,367.87	7,524.52
LXML	Non-ferrous metal mining and processing	1 mining right and 1 exploration right	Lao Kip 1,436,516.83 million	621,855.47	347,456.02	333,979.44	54,016.45
Golden Star Resources	Gold mining and processing	3 mining rights and 4 exploration rights	US\$ 932.9285 million	892,472.14	422,736.75	290,136.43	23,142.48
Guangyuan Technology	Disassembling of waste electrical and electronic products	Qualification for treatment of waste electrical and electronic products	4,477.60	50,898.34	34,689.28	26,169.16	1,302.54

### Notes:

1. The business qualifications of Xinhenghe Mining are held by its subsidiary Jintai Mining, while the business qualifications of Golden Star Resources are held by its subsidiary GSWL.
2. The financial data of Jilong Mining, Xinhenghe Mining and Golden Star Resources are based on their consolidated financial statement figures, and the net profit data of Jilong Mining includes the dividend of RMB400 million from its subsidiary Wulong Mining.



# MANAGEMENT DISCUSSION AND ANALYSIS

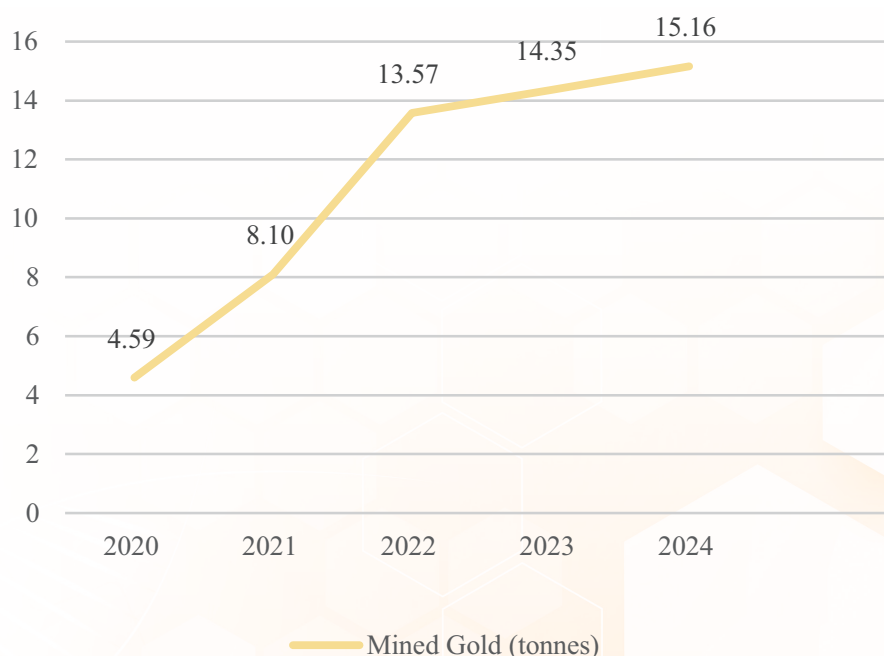
## MANAGEMENT DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY

### (I) Industry landscape and trends

From the perspective of industry development, due to mergers and resource integration among gold mining enterprises, the concentration of the gold industry continues to increase. Large gold enterprises possess advantages such as efficient operations, global presence, and financial strength, occupying a dominant position in the gold industry. The regulatory requirements for gold mining safety and environmental protection are continuously tightening; on the other hand, some gold production enterprises with aging mining facilities, insufficient subsequent resources, and lower competitiveness have gradually shut down or undergone rectification. The cost of gold mining has increased due to various factors, leading smaller gold mining companies to gradually exit the market. Global and Chinese gold mining companies are developing towards green mining, deep mining, and intelligent mining. The merger and large-scale acquisition of global gold companies have become mainstream trends. In 2024, the overseas mines of large gold groups in the PRC achieved a gold production volume of 71.937 tonnes, representing a year-on-year increase of 19.14%.

In 2023, the gold production of the world's top ten gold producers accounted for approximately 25.6% of the global production. According to Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., based on the gold production in 2023, the Company is estimated to rank between 20th and 30th among global gold producers. In 2023, the Company's gold production ranked fifth among the listed gold enterprises in China. From 2021 to 2023, the Company's gold production grew the fastest among the top five gold producers in China. Compared to most major Chinese gold mining enterprises, the Company has a broader overseas business coverage.

**Chifeng Gold Group Gold Production 2020-2024**



## MANAGEMENT DISCUSSION AND ANALYSIS

The Company's main product is gold. From 2020 to 2024, the Company's gold production amounted to 4.59 tonnes, 8.10 tonnes, 13.57 tonnes, 14.35 tonnes, and 15.16 tonnes, respectively, achieving consecutive annual growth. Through internal exploration and reserve expansion as well as external resource integration and acquisitions, the retained resource volume has significantly increased. The Company actively implements an internationalization strategy, expanding investment resources both domestically and internationally, and has developed a management philosophy of integration and cooperation. The Company has the potential and foundation to become a large-scale international and professional gold mining company. The Company is a key national gold enterprise group and became a comprehensive member of the Shanghai Gold Exchange in 2023. The Company has received multiple awards and recognition from the countries where it operates for its achievements in mine safety, environmental protection, and harmonious ESG development. The Company's philosophy of enabling as many people as possible to benefit from corporate development has gained widespread recognition.

### (II) Development Strategy of the Company

The Company practices the core value of "To benefit more people from the development of Chifeng Gold", focusing on the extraction and smelting of gold mines, and concentrating on high-quality gold mine resources both domestically and internationally, to become a dedicated and professional gold mining company. It actively explores the application of new technologies and processes to efficiently develop mineral resources. With a people-oriented approach, it gathers talent to build a high-quality and highly professional management team, vigorously promoting management innovation. The Company actively assumes its social responsibilities, emphasizes environmental protection, cares about community welfare and public welfare undertakings, ensures the Company's sustainable high-quality development, and establishes a corporate image rich in contemporary characteristics.

The Company adheres to the development strategy of "focusing on gold", unwaveringly developing its core business of gold mining, seizing the strategic opportunity presented by the transformation of the national economic structure, and maximizing economic and social value for its Shareholders. The Company's development goal is to become an international gold mining listed company with technological leadership, scientific management, significant cost advantages, abundant resource reserves, outstanding core competitiveness, and a good reputation in the gold market and capital market. The Company's development vision is "To be a prominent gold producer well recognized around the world".

### (III) Operation plan

In 2024, the Company planned a total gold mine production of 16.02 tonnes within the consolidated budget scope, with an actual completion of 15.16 tonnes, achieving 94.63% of the annual plan. It is expected that revenue from the principal business for the year would be RMB8,800 million, with net profit attributable to the parent company not less than RMB1,100 million. The actual revenue from the principal business was RMB9,026 million, and the net profit attributable to the parent company was RMB1,764 million, completing 102.57% and 160.36% of the annual plan respectively, both exceeding the initial budget at the beginning of the year.

## MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, the Company will continue to develop and apply new technologies, and persist in cost reduction and expense control through measures such as centralized procurement, organizational structure, and personnel optimization. It will cautiously estimate gold production and sales prices. Excluding the impact of various positive factors, the budgeted production and sales volume within the consolidation scope is 16.70 tonnes of gold, 10,010 tonnes of copper cathodes, 33,350 tonnes of copper, lead, and zinc concentrate, and 660 tonnes of molybdenum concentrate. It is expected that the annual operating revenue will be RMB11,444 million, and the net profit attributable to the parent company will be RMB2,100 million.

The Group identifies suitable target for acquisition by leveraging the Hong Kong stock and capital market, and in the meantime rooted deeply in its principal business, and fully leverage its listing status in both cities and the driving force from its domestic and overseas businesses, thus steadily developing its business core of “gold as its key”, to strive for enhancing its production volume while at the same time to control its cost effectively, bringing long-term interest to the Company and its Shareholders.

### (IV) Potential risks

In the complex and volatile market environment, the Company consistently regards risk management as an important safeguard for stable operations. It builds and continuously optimizes the risk management system, integrating various risk management requirements into daily management activities and business processes to identify, assess, monitor, and respond to various risks in operational activities, ensuring the steady advancement of the Company's strategy.

#### 1. *Risk of price fluctuations in key products and raw materials*

The Company's main products, such as gold and copper cathodes, belong to precious metals and bulk non-ferrous metal commodities. The Company's profitability is closely related to product prices. On the other hand, the prices of raw materials and energy required in the Company's mining and beneficiation processes are also under considerable upward pressure. Factors affecting price fluctuations include global supply and demand, geopolitics, inflation, interest rates, exchange rates, and expectations of global economic conditions. Under the combined effect of these factors, there will be significant fluctuations in the prices of the Company's products, raw materials, and energy. These will affect the Company's profitability and cash flow generated from operations.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Countermeasures

Based on cost reduction and expense control, the Company aims to enhance labour efficiency and equipment utilization through a series of measures, including technological innovation, centralized procurement, and optimization of personnel and organizational structure, to control unit costs. The Company will also further improve management mechanisms to control non-production costs.

The Company continuously enhances the capacity and output of existing mines. As the scale of mining and ore processing operations expands, the economies of scale in mining will gradually emerge. Coupled with significant cost control measures, the Company will have a certain degree of control over future performance. At the same time, the Company proactively manages commodity price risks and avoids price fluctuation risks by reasonably utilizing financial instruments to conduct hedging business.

### 2. *Safety production and environmental protection risk*

The majority of the Company's mining operations involve blasting, which requires the use of explosives. In some mineral processing operations, chemicals such as sodium cyanide are needed, posing certain risks. Furthermore, as the Company's mining operations involve multiple risks, including natural disasters, equipment failures, and other unforeseen events, these risks may result in unforeseeable property loss and casualties at the Company's mines.

The Company generates waste that may affect the environment, such as the discharge of waste rock and slag, during the mining and beneficiation process of mineral resources. The extraction of mineral resources not only generates dust and solid waste pollution but may also lead to landform changes, vegetation destruction, and soil erosion, thereby affecting the balance of the ecological environment. The occurrence of the above matters may adversely affect the Company's business prospects, financial condition, and operating results.

### Countermeasures

The Company continuously establishes and improves safety management systems and processes, with a dedicated safety production supervision department. It has formulated a series of safety production management systems and safety education and training systems, clearly defining the safety responsibilities of each department and position, forming a comprehensive and clearly accountable safety management network. The Company actively applies advanced safety technologies and equipment, enhancing safety levels through mechanization and intelligence. It has developed a series of operational procedures and safety guidelines for the procurement, transportation, storage, and use of explosives and chemicals to ensure the safety of employees and company property.



## MANAGEMENT DISCUSSION AND ANALYSIS

On the basis of strictly complying with laws and regulations, the Company regards environmental protection as a core element of its corporate strategy, and promotes the implementation of sustainable development strategies through the establishment of a safe and efficient environmental management system. Each mine is committed to promoting green mining and conducting ecological restoration during the operation process. In accordance with the principle of “simultaneous mining and restoration”, the ecological impacts caused by mining activities are being restored, with efforts to rehabilitate vegetation and ecological functions. Supporting pollution prevention facilities are constructed to achieve harmlessness and resource utilization of waste residues and comprehensive utilization of wastewater. For mines using cyanidation processes for ore dressing, detoxification technology is employed for harmless treatment of tailings. Funds are invested in building environmental protection facilities, and a comprehensive environmental management and supervision system has been established, with continuous monitoring of groundwater, soil, and solid waste conducted internally or by inviting third-party experts. In the future, the Company aims to advance the construction of new energy infrastructure, actively engaging in low-carbon transformation, and gradually achieving deep decarbonization through a diversified mix of clean energy.

### 3. *Country and Policy Risk*

The Company's existing mines are primarily located in China, Laos, and Ghana, where there are significant differences in the levels of political, economic, and cultural development, leading to certain country and policy risks. If there are changes in mining rights management policies, it may affect the acquisition, renewal, and transfer of mining rights; adjustments in tax policies, such as increasing resource tax and value-added tax, will increase corporate costs; changes in import and export policies may restrict the import and export of mineral products and major equipment, affecting sales channels; if government departments impose restrictions or prohibitions on the development and utilization of certain mineral types, or set higher requirements for the scale and technical level of mining enterprises, it will result in existing projects being unable to continue or requiring substantial capital investment for transformation and upgrading.

#### Countermeasures

The Company will fully leverage its management advantages, promote an open culture of diversity, inclusiveness, and symbiosis, maintain close communication with government departments in the countries where projects are located, constantly monitor changes in the political and economic situations of those countries, strengthen the study and research of international laws, regulations, execution standards, and business practices, and enhance its risk prevention and response capabilities; adhere to the core value of “To benefit more people through the development of Chifeng Gold” and the concept of “Mutual Prosperity and Development”, actively fulfilling corporate social responsibility and community contribution responsibility.







# REPORT OF THE DIRECTORS

The Directors of the Company hereby submit the Report of the Directors and the audited financial statements of the Group for the year ended 31 December 2024.

## PRINCIPAL BUSINESS

We are principally engaged in the mining, processing and sales of gold. Our operations are centered in gold, and we work towards greater international development and expansion through continuous technological advancements, maintaining cost-effective operations, optimizing resource utilisation, and the acquisition of high-quality overseas resources.

Further details of the principal businesses of the Group's subsidiaries are set out in Note VIII.1 to the financial statements of this annual report.

## Results of Operations

The results of operations of the Group for the year ended 31 December 2024 are set out in the financial statements.



## REPORT OF THE DIRECTORS

## EXPLANATION ON PROCESS IN USE OF PROCEEDS

(I) Overall use of proceeds

Unit: RMB0'000

Source of proceeds	Proceeds availability	Total proceeds	Net proceeds after deduction of issuance expenses <sup>(1)</sup>	Total promised investment amounts out of proceeds in the prospectuses or offering document <sup>(2)</sup>	Total amount of excess proceeds <sup>(3)=(1)-(2)</sup>	Accumulated investment amount out of proceeds as at the end of the Reporting Period <sup>(4)</sup>	Including: accumulated investment amount out of excess proceeds as at the end of the Reporting Period <sup>(5)</sup>	Process of accumulated investment of excess proceeds as at the end of the Reporting Period <sup>(6)=(4)-(5)</sup> (%)	Process of accumulated investment of excess proceeds as at the end of the Reporting Period <sup>(7)=(5)-(3)</sup> (%)	Proportion of investment amount for the year <sup>(8)=(8)/(1)</sup> (%)	Total proceeds for change of use of use
Issuance of shares to specific parties	17 January 2020	51,000	51,000	51,000	0	46,746.50	0	91.66	-4,031.49	/	9,904.02
Total	/	51,000	51,000	51,000	0	46,746.50	0	/	-4,031.49	/	9,904.02

The investment amount for this year is negative, as the amount of proceeds used to repay the temporarily replenished working capital is more than the amount used for the investment projects. The investment amount for fund-raising projects during the current period is RMB69.6851 million.





## REPORT OF THE DIRECTORS

### (III) Other circumstances of use of proceeds during the Reporting Period

#### 1. Preliminary capital and replacement of proceeds investment projects

On 21 February 2020, the 20th meeting of the seventh session of the Board of Directors and the 10th meeting of the sixth session of the Supervisory Committee of the Company considered and approved the Resolution on the Use of Proceeds to Replace Pre-invested Self-raised Funds, under which the Company will replace the initial investments of the self-raised funds of RMB32.3987 million by proceeds, including the self-raised funds invested in advance of RMB21.9389 million by Hanfeng Mining for the “Deep Reserve Exploration Project for Lead-Zinc Polymetallic Mining in Tianbaoshan Mining Area” and the self-raised funds of RMB10.4598 million invested by Chifeng Gold to pay the agency fees in advance.

Mazars Certified Public Accountants LLP (中審眾環會計師事務所(特殊普通合伙)) issued the Assurance Report on the Investment Projects Funded with Self-Raised Funds in Advance by Chifeng Jilong Gold Mining Co., Ltd. (Zhonghuan Zhuan Zi 2020 No. 230003) regarding the Company’s use of proceeds to replace self-raised funds previously invested in the investment projects. The independent financial advisor, Everbright Securities Co., Ltd., provided a verification opinion and raised no objections to the Company’s use of proceeds to replace self-raised funds invested in the projects.

#### 2. Temporary use of idle proceeds for replenishment of working capital

On 9 February 2024, the Company returned the proceeds of RMB110 million used for temporarily replenishing working capital to the designated account for proceeds.

On 23 February 2024, the Company convened the 25th meeting of the eighth session of the Board of Directors and the 16th meeting of the seventh session of the Supervisory Committee, respectively, to consider and approve the Resolution on the Use of Partial Idle Proceeds as Temporary Liquid Funds, due to the longer construction periods of the Hanfeng Mining’s investment project of “Deep Reserve Exploration Project for Lead-Zinc Polymetallic Mining in Tianbaoshan Mining Area” and “Expansion Project of Lishan Mining area in Tianbaoshan Lead-Zinc Mine”, on the premise of ensuring the capital demand for the investment projects funded by the raised funds and the normal progress of the fund usage plan, in conjunction with the Company’s production and operational needs. It is agreed that the Company will temporarily use idle proceeds from the “Deep Reserve Exploration Project for Lead-Zinc Polymetallic Mining in Tianbaoshan Mining Area” and “Expansion Project of Lishan Mining area in Tianbaoshan Lead-Zinc Mine” amounting to RMB90 million to replenish working capital. The usage period for these funds shall not exceed 12 months from the date of approval by the Board, and the Company will return them to the designated account for proceeds before the expiration.

## REPORT OF THE DIRECTORS

From 30 May 2024 to 31 May 2024, the Company returned the proceeds of RMB10.0000 million used for temporarily replenishing working capital to the designated account for proceeds.

On 25 July 2024, the Company returned the proceeds of RMB15.0000 million used for temporarily replenishing working capital to the designated account for proceeds.

On 23 October 2024, the Company returned the proceeds of RMB25.0000 million used for temporarily replenishing working capital to the designated account for proceeds.

On 25 December 2024, the Company returned the proceeds of RMB40.0000 million used for temporarily replenishing working capital to the designated account for proceeds.

As of 31 December 2024, the idle proceeds utilized by the Company for the temporary replenishment of liquidity was RMB0.0000 million.

### USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares of the Company were successfully listed on the Main Board of the Hong Kong Stock Exchange on 10 March 2025. The net proceeds from the Global Offering received by the Company were approximately HK\$2,676 million after deducting underwriting commissions and listing expenses, which will be utilized for the purposes set out in the Prospectus. As at the date of this annual report, there was no change in the intended use of net proceeds as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. To the extent that net proceeds are not immediately used for the intended use, the Company will place the net proceeds as short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), or applicable laws and regulations in other jurisdictions).

The over-allotment option described in the Prospectus was fully exercised on 4 April 2025 in respect of an aggregate of 30,847,800 H Shares, representing approximately 15% of the total number of H Shares initially available under the Global Offering before any exercise of the over-allotment option.

The additional H Shares were issued and allotted by the Company at HK\$13.72 per H Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%), being the Offer Price per H Share under the Global Offering. The additional H Shares will be used to facilitate the delivery of part of H Shares to the placees who have agreed to delayed delivery of the relevant H Shares subscribed by them under the Global Offering.

The additional net proceeds of approximately HK\$423.20 million received by the Company from the issue of the additional H Shares after deduction of the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the full exercise of the over-allotment option, will be used by the Company on a pro rata basis for the purposes as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

## REPORT OF THE DIRECTORS

### EMPLOYEES, REMUNERATION POLICY AND PENSION SCHEME

The Company formulated the Compensation Management Implementation Measures in accordance with relevant national laws and regulations and based on its actual circumstances, standardizing the Company's salary management, fully mobilizing employee enthusiasm and creativity, improving work efficiency, and attracting outstanding talents.

The Company's compensation management reflects a leading compensation strategy, with competitive salary levels for the same positions in the industry. While maintaining a leading salary position, the internal salary levels of positions fully consider the impact of the positions on the Company's development goals, the value of contributions, and the size of responsibilities. Positions are fairly and reasonably classified into tiers, and salaries are determined accordingly, with compensation leaning towards frontline positions. In addition, the Company's employee salary management is linked to performance assessment, with remuneration tied to position performance, stimulating the potential of employees in their roles and fully leveraging individual capabilities.

#### Business operations within China

Employees are the key to the success of the Group. The Group is committed to recruiting, training, and retaining skilled and experienced employees throughout its operations, aiming to achieve this by offering competitive remuneration packages (above market average) and focusing on training and career development. The remuneration package, which includes salary, bonuses, commercial insurance, and other benefits, is designed to reward employees based on their work performance measured against specific work objectives. The Group conducts annual research on the current market remuneration conditions and adjusts its remuneration packages accordingly to ensure that they remain attractive compared to competitors. In addition, the Group provides orientation training and regularly offers various on-the-job training to enrich employees' professional knowledge, enhance their work skills, and strengthen internal teamwork within the Company.



# REPORT OF THE DIRECTORS

## Business operations in Ghana and Laos

The Group has established a comprehensive human resources system to manage recruitment, employee development, remuneration and compensation matters. The Group designs its remuneration package with reference to local mining industry benchmarks, ensuring it remains competitive compared to its competitors. The Group also makes contributions to mandatory social insurance for employees and provides commercial insurance and other employee benefits in accordance with the relevant laws and regulations of Laos and Ghana.

As at 31 December 2024, the Group employed a total of 6,911 employees in locations including China, Ghana, and Laos (as at 31 December 2023: 6,447), with positions covering production, sales, technical, financial, and administrative fields. During the Reporting Period, the Group's total staff remuneration expenses were approximately RMB1.37 billion (approximately RMB1.07 billion for last year).

## I. Employees of the parent company and major subsidiaries at the end of the Reporting Period

### (I) Employees

Number of employees in the parent company	67
Number of employees in major subsidiaries	6,844
Total number of employees in service	6,911
Number of retired employees to whom the parent company and major subsidiaries have to bear costs and expenses	0

### Composition of job positions

Category of job positions	Numbers for personnel
Production staff	5,014
Sales personnel	5
Technical staff	847
Financial staff	60
Administrative staff	985
Total	6,911

### Education degree

Category of education degree	Number (persons)
Holders of doctoral, master degrees	111
Holders of bachelor degrees	641
Holders of bachelor degrees or below	6,159
Total	6,911



## REPORT OF THE DIRECTORS

### (II) Remuneration policy

In accordance with relevant national laws and regulations and in combination with its own actual situation, the Company has formulated the implementation measures for remuneration management, standardized the Company's remuneration management, fully mobilized the enthusiasm and creativity of employees, improved work efficiency, and attracted outstanding talents.

The remuneration management of the Company implements the remuneration leading strategy, and the remuneration level of the Company in the same industry and position is competitive. While taking the lead in remuneration, the Company's internal post remuneration level fully considers the influence of the post on the Company's development goals, fairly and reasonably demarcates the post grade according to the post contribution value and responsibility, and formulates the post remuneration, and the remuneration is inclined to the first-line post. Meanwhile, the Company's employee remuneration management and performance appraisal are interrelated, and remuneration is linked to post performance to stimulate the potential of post employees and give full play to their personal abilities.

### (III) Training plan

1. We arrange pre-job training for new employees in a timely manner according to the recruitment of employees. The pre-job training is conducted by face-to-face teaching and experience, so that new employees can not only know the Company's various rules and regulations and business processes, but also learn mine knowledge on the spot and experience the first-line production environment of the mine.
2. We conduct on-the-job training for employees. According to the work arrangement and specific conditions, the Company conducts on-the-job training from time to time, which includes corporate compliance, cybersecurity, internal control system, corporate culture, skill improvement, mine knowledge, safety, environmental protection and so on. The training form is mainly internal training. The Human Resources Management department, which is in charge of training, hires practical experts and scholars in society and universities to carry out in-depth and systematic training for some training contents, so that trainees can learn more cutting-edge professional knowledge. Internal lecturers are also trained to form an endogenous driving force for organizational development and employee growth.
3. In cooperation with professional colleges and research institutions, the Company carries out on-the-job academic education, technical exchange and training for professional and technical personnel through correspondence and cooperation in running schools.
4. According to the Company's international business development, the Company carries out international mining personnel training plan and related language training plan in a timely manner to help the Company's business in overseas sustainable development. Meanwhile, according to the cultural background of overseas projects, the Company carries out various forms of cultural exchange training to enhance the human resource management concept and cultural integration between the parent company and overseas subsidiaries.

# REPORT OF THE DIRECTORS

(IV) Labor outsourcing

Working hours of labor outsourcing (hours)	661,384
Total salary paid for labor outsourcing (RMB0'000)	643.14

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

(1) Acquisition of China Investment Mining (Laos) Sole Co., Ltd.

Reference is made to the section headed “History, Development and Corporate Structure – Post-Track Record Period Acquisition” in the Prospectus and the announcement of the Company dated 25 March 2025 in relation to (among others) the transaction of the Group’s acquisition of China Investment Mining (Laos) Sole Co., Ltd. In light of the Group’s overseas expansion and to facilitate its planning of rare earth exploration in Laos, on 4 March 2024, China Investment (as seller), China Investment Mining (Laos) Sole Co., Ltd (as the target company, the “**Target Company**”), Chixia Laos (as purchaser) and Chijin Xiawu (as guarantor) entered into an equity transfer agreement, pursuant to which Chixia Laos shall acquire from China Investment 90% of the equity interest in the Target Company, which was wholly owned by China Investment, at a total consideration of US\$18,963,000.

The Target Company holds 86% equity interest in each of its two subsidiaries, namely CIRE Mining and CIREX Mining, and the remaining 14% equity interest in each of CIRE Mining and CIREX Mining is held by DDC Mining Sole Co., Ltd., an independent third party. The Target Company operates the Mengkham Rare Earth Element Project which is still at the construction stage covering the mining area of 50 km², whereby the genetic type of the mineral deposit belongs to the weathering crust ion-adsorbed rare earth deposit. CIRE Mining holds a rare earth mineral processing permit (experimental) and a mineral extraction permit (experimental). CIREX Mining holds a rare earth exploration permit.

The rare earth project represents an opportunity for the Group to tap into the potential for quality rare earth resources with a relatively higher economic value to be realised through the medium-heavy rare earth ore held by the project. the Directors are of the view that the proposed acquisition is in our ordinary and usual course of business and on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.



## REPORT OF THE DIRECTORS

As at 25 March 2025, all transacting parties confirmed in writing that the transaction was completed, and accordingly, the acquisition of the Target Company was completed. Following the completion, the Target Company has become an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Group have been consolidated into the Group's financial statements. The Target Company has been renamed as Chixia Mining (Laos) Co., Ltd.

### (2) Acquisitions and disposal of Tietto Minerals

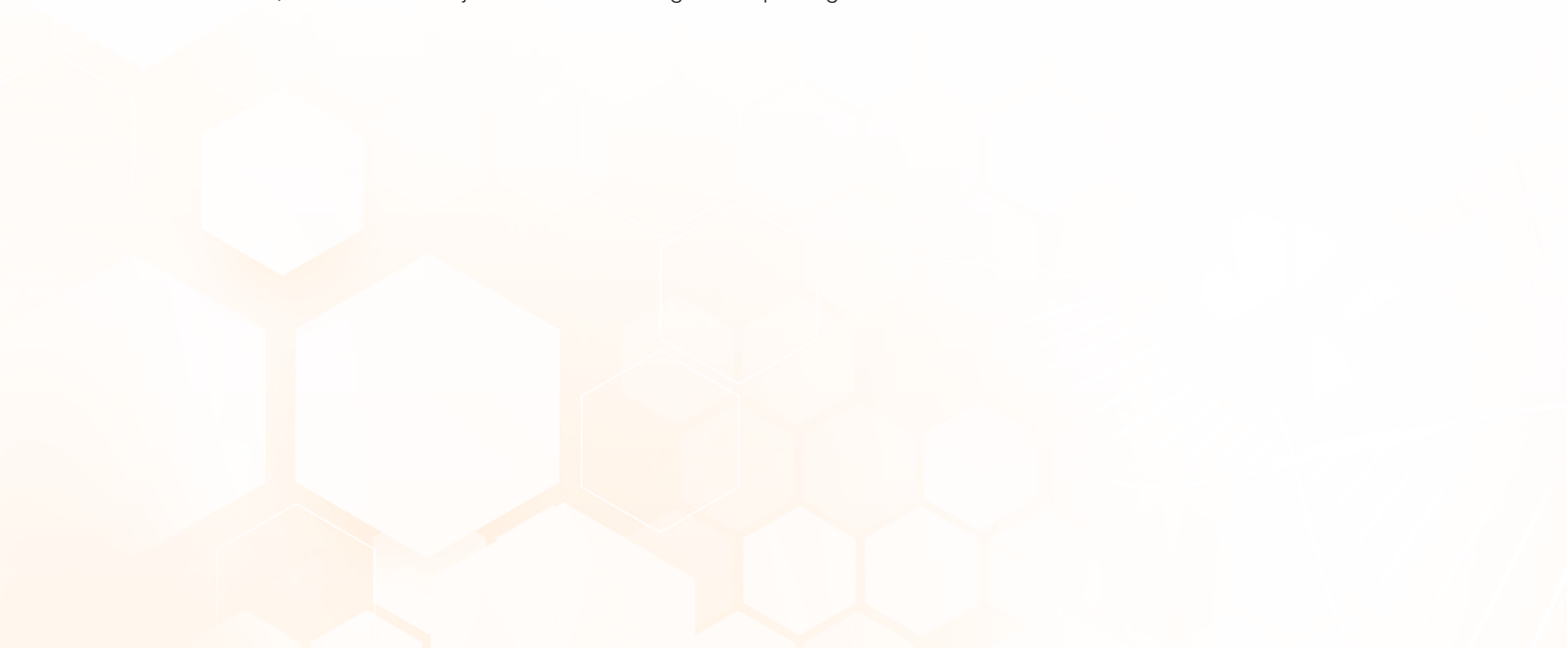
Reference is made to the section headed “History, Development and Corporate Structure – Major Acquisitions and Disposals – Acquisitions and disposal of Tietto Minerals” in the Prospectus. In line with the Company's strategic positioning on investing in quality overseas mineral resources operations, on 9 September 2022, Chijin HK entered into a share subscription agreement with Tietto Minerals, pursuant to which Chijin HK subscribed for 85,000,000 shares of Tietto Minerals at the issue price of AUD0.58 per share, representing a total consideration of AUD49.3 million. The consideration was settled and the acquisition was completed on 21 September 2022.

On 30 October 2023, Zhaojin Capital lodged a bidder statement to Tietto Minerals, pursuant to which it made a conditional offer to acquire all the outstanding issued Shares of Tietto Minerals at an offer price of AUD0.58 per share (and subsequently increased to AUD0.68 per share on 15 April 2024).

Upon resolution by the Board, Chijin HK accepted the above offer and transferred all the 140,855,864 shares in Tietto Minerals to Zhaojin Capital during the offer period at a total consideration of AUD95.782 million by 29 April 2024. Upon completion of the transfer, the Group no longer held any interest in Tietto Minerals.

The offer was completed on 14 May 2024 upon which Zhaojin Capital obtained 90.72% of the voting rights in Tietto Minerals. Upon the commencement of exercise of the compulsory acquisition rights against the remaining shares of Tietto Minerals on 24 May 2024, the shares of Tietto Minerals ceased trading on the Australian Securities Exchange on 3 June 2024, and Tietto Minerals was delisted on 6 June 2024.

Save as the above, there were no significant investments, material acquisitions or disposals in respect of subsidiaries, associates and joint ventures during the Reporting Period.



## REPORT OF THE DIRECTORS

### PLAN FOR PROFIT DISTRIBUTION AND INCREASE IN SHARE CAPITAL FROM CAPITAL RESERVE

#### (I) Formulation, implementation or adjustment of the cash dividend policy

The Company has formulated specific profit distribution policies and incorporated them into the Articles of Association, clearly defining the forms of profit distribution, specific conditions and proportions for cash dividends, and the decision-making mechanism and procedures for profit distribution, in compliance with the Company Law, the “Listed Companies Regulatory Guidance No.3 – Cash Dividend Distribution of Listed Companies” issued by CSRC, and other relevant laws, regulations, and normative documents. During the Reporting Period, the Company did not adjust or change the cash dividend policy.

According to the “Listed Companies Regulatory Guidance No.3 – Cash Dividend Distribution of Listed Companies” and “Guidelines for the Self-discipline Supervision of Listed Companies on the Shanghai Stock Exchange No.1-Standardized Operation” as well as other laws, administrative regulations, departmental rules, normative documents, and the Articles of Association, the Company has formulated the “Shareholders’ Return Plan for the Next Three Years (2025-2027) of Chifeng Jilong Gold Mining Co., Ltd.”

The 2024 Profit Distribution Plan, as reviewed by the Board, is as follows: the Company proposes to distribute a cash dividend of RMB1.60 (tax inclusive) for every 10 Shares to all Shareholders who are eligible for distribution on the record date determined by the profit distribution implementation announcement for 2024. The remaining undistributed profit will be carried forward for distribution in subsequent years. The actual amount of cash dividend to be distributed will be determined according to the number of Shares on the record date. There will be no distribution of bonus Shares or conversion of capital reserve into share capital for 2024 by the Company. As at 28 March 2025, the total number of Shares of the Company is 1,869,563,378 Shares, based on which the aggregate amount of the proposed cash dividend shall be RMB299,130,140.48 (tax inclusive). The 2024 Profit Distribution Plan shall be subject to consideration and approval at the 2024 AGM. For details, please see the announcement of the Company dated 28 March 2025.

Notice of the 2024 AGM will announce the date convening the 2024 AGM by the Company and details of relevant book closure of H Shares and the record date, as well as the arrangement of book closure of H Shares for the 2024 Profit Distribution Plan and the record date.



## REPORT OF THE DIRECTORS

### (II) Particulars of Cash Dividend Policy

Whether it complies with the provisions of the Articles of Association or the requirements of the resolution of the general meeting	✓ Yes <input type="checkbox"/> No
Whether the standard and proportion of dividends are specific and clear	✓ Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete and adequate	✓ Yes <input type="checkbox"/> No
Whether independent directors have performed their duties and played their role properly	✓ Yes <input type="checkbox"/> No
Whether minority Shareholders have the opportunity to fully express their opinions and appeals, and whether their legitimate rights and interests have been fully protected	✓ Yes <input type="checkbox"/> No

### (III) Plans for profit distribution and conversion of capital reserve into share capital for the Reporting Period

Unit: Yuan Currency: RMB

Number of bonus Shares for every 10 Shares (share)	0
Amount of dividend for every 10 Shares (RMB) (tax inclusive)	1.60
Number of Shares converted for every 10 Shares (share)	0
Amount of cash dividends (tax inclusive) <sup>(note)</sup>	299,130,140.48
Net profit attributable to the ordinary Shareholders of the listed company in the consolidated financial statements	1,764,339,650.99
Amount of cash dividend as a percentage of net profit attributable to ordinary Shareholders of the Company in the consolidated financial statements (%)	16.95
Amount of Shares repurchased in cash included in cash dividends	0
Total amount of dividends (tax inclusive)	299,130,140.48
Percentage of total dividend amount to net profit attributable to ordinary Shareholders of the listed company in the consolidated financial statements (%)	16.95

**Note:** The profit distribution plan is subject to the approval at the general meeting. If there is a change in the total share capital of the Company between the date of consideration of the 2024 AGM and the date of registration of the right to implement the profit distribution, the Company intends to maintain the amount of distribution per share unchanged and adjust the total amount of distribution accordingly.

## REPORT OF THE DIRECTORS

### (IV) Cash dividend in the recent three financial years

Unit: Yuan Currency: RMB

Accumulated amount of cash dividends (tax inclusive) in the recent three financial years (1)	381,566,579.38
Aggregate amount of repurchase and cancelation in the recent three financial years (2)	0
Accumulated amount of cash dividends and repurchase and cancelation in the recent three financial years (3) = (1) + (2)	381,566,579.38
Average net profit amount for the recent three accounting years (4)	1,006,462,895.55
Cash dividend ratio (%) for the recent three financial years (5) = (3)/(4)	37.91%
Net profit attributable to ordinary Shareholders of the listed company in the consolidated financial statements for the recent accounting year	1,764,339,650.99
The undistributed profit at the end of the recent accounting year in the parent company's statements	2,356,024,316.66

### EQUITY INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES AND THEIR IMPACT

Relevant incentive events have been disclosed in the temporary announcement of the Company on the Shanghai Stock Exchange and there is no further development or change in subsequent implementation.

#### Summary of the Event

#### Inquiry Index

On 29 March 2024, the Company convened the 26th meeting of the eighth session of the Board of Directors and the 17th meeting of the seventh session of the Supervisory Committee, where the "Resolution on the Cancelation of Share Appreciation Rights under the 2022 Share Appreciation Rights Incentive Plan" was considered and approved. It was agreed to cancel a total of 1.80 million share appreciation rights granted but not yet exercised by 7 incentive participants who failed to meet the assessment targets in the two accounting years of 2022-2023 within two exercise periods.

The Announcement on the Cancelation of the 2022 Stock Appreciation Rights Incentive Plan of Chifeng Gold (Announcement Number: 2024-020) published on 30 March 2024 on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and designated information disclosure media.

# REPORT OF THE DIRECTORS

Summary of the Event	Inquiry Index
<p>On 9 October 2024, the Company disclosed the “Chifeng Gold Announcement on the Completion of Stock Sale under the Phase II Employee Stock Ownership Plan”. As at 30 September 2024, all 16,575,406 Shares held under the Company’s Phase II Employee Stock Ownership Plan have been fully sold through centralized bidding transactions.</p>	<p>The announcement of “Chifeng Gold on the Completion of Stock Sale under the Phase II Employee Stock Ownership Plan” (Announcement Number: 2024-063) published on 9 October 2024 on the website of Shanghai Stock Exchange (<a href="http://www.sse.com.cn">www.sse.com.cn</a>) and designated information disclosure media.</p>
<p>On 30 December 2024, the Company convened the 33rd meeting of the eighth session of the Board of Directors to consider and approve the “Proposal on the Phase III Employee Stock Ownership Plan (Draft) of Chifeng Jilong Gold Mining Co., Ltd. and its Summary”, the “Proposal on the Administrative Measures for the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.”, and the “Proposal on Requesting the General Meeting to Authorize the Board to Handle Matters Related to the Company’s Phase III Employee Stock Ownership Plan”, among other. On the same day, the Company convened the staff representative meeting to consider and approve the “Proposal on the Phase III Employee Stock Ownership Plan (Draft) of Chifeng Jilong Gold Mining Co., Ltd. and its Summary”.</p>	<p>The “Announcement of Resolutions Passed at the 33rd Meeting of the Eighth Session of the Board of Directors of Chifeng Gold” (Announcement No.: 2024-069) and the “Announcement of Resolutions of the Employee Representative Meeting of Chifeng Gold” (Announcement No.: 2024-071) published on 31 December 2024 on the website of the Shanghai Stock Exchange (<a href="http://www.sse.com.cn">www.sse.com.cn</a>) and designated media for information disclosure.</p>



# REPORT OF THE DIRECTORS

## PERFORMANCE OF COMMITMENTS

Commitments made by actual controllers, shareholders, related parties, acquirers of the Company, and the Company and other related parties making commitments during the reporting period or continuing to the reporting period

Background of commitment	Type of commitment	Committed by	Content of commitment	Date and deadline of commitment	Whether there is a deadline for performance	Whether it is strictly performed in time
Commitment related to significant assets restructuring	Others	Li Jinyang (Zhao Meiguang), Hanfeng Zhongxing, Meng Qingguo	Commitments in the issue of shares to purchase assets in 2019: The equity of Hanfeng Mining held by me/the partnership is truly, legally and effectively held, and there is no agreement, trust or other way to hold equity or interest arrangement with other parties. There are no ownership disputes, no restrictions on the rights of third parties such as mortgage and pledge, seizure or freezing. The equity ownership of Hanfeng Mining held by me/the partnership is clear, and does not involve any material dispute such as litigation, arbitration, judicial enforcement or other circumstances that hinder the transfer of ownership.	April 1, 2019, long-term effective	No	Yes
	Others	Li Jinyang (Zhao Meiguang), Hanfeng Zhongxing, Meng Qingguo	Commitments in the issue of shares to purchase assets in 2019: (1) The paper and electronic materials provided by me/the partnership for this transaction are complete, authentic and reliable, and the relevant duplicates or copies are consistent with the originals. All signatures and seals on the documents are authentic and valid, and the copies are consistent with the originals. I/the Partnership guarantee the authenticity, accuracy and completeness of the materials and information provided, and guarantee that there are no false records, misleading statements or major omissions. If there are false records, misleading statements or major omissions in the information provided, resulting in losses to the listed company or investors, I/the partnership will be liable for compensation according to law. (2) After the completion of the transaction, if the information provided by me/the partnership about the transaction involving Hanfeng Mining is suspected of false records, misleading statements or major omissions, and is investigated by the judicial authorities or the China Securities Regulatory Commission, prior to the conclusion of the investigation, I/the partnership shall not transfer the shares that have an interest in the listed company.	April 1, 2019, long-term effective	No	Yes

# REPORT OF THE DIRECTORS

Background of commitment	Type of commitment	Committed by	Content of commitment	Date and deadline of commitment	Whether there is a deadline for performance	Whether it is strictly performed in time
	Others	Li Jinyang (Zhao Meiguang)	<p>Commitments in the issue of shares to purchase assets in 2019: (1) I guarantee that the directors, supervisors and senior executives of the listed company are elected, replaced, engaged or dismissed in accordance with laws, regulations, normative documents and the Articles of Association. I shall not exceed the board of directors and the general meeting to illegally interfere with the above-mentioned personnel appointment and removal of the listed company, and ensure that the listed company is independent from the controlling shareholder in terms of labor and personnel management system. (2) I guarantee that the listed company has complete operating assets and domicile and independent of the controlling shareholder. I guarantee that I and other enterprises controlled by Chifeng Gold and its subsidiaries shall not occupy the funds, assets and other resources of the listed company in violation of regulations. (3) I guarantee that the listed company will establish and improve the corporate governance structure and independent and complete organizational structure, and standardize its operation. I guarantee that the listed company is completely separated from myself and other enterprises under my control in terms of office and production and business premises. (4) I guarantee that the listed company has the assets, personnel, qualifications and the ability to operate independently for the market, and operates independently in business. I guarantee not to interfere in the business activities of listed companies except legally exercising the rights of shareholders. I guarantee to reduce or eliminate related party transactions with listed companies in a legal manner, and if necessary, the price of related party transactions shall be determined according to the principles of fairness, reasonableness and marketization. I guarantee that the interests of the listed company and other shareholders are not damaged, and perform the obligation of information disclosure in a timely manner. (5) I guarantee that the listed company has an independent financial accounting department and establishes an independent financial accounting system and financial management system. I guarantee that the listed company opens an account in a bank independently and do not share the same bank account with myself and other enterprises controlled by me. I guarantee that the listed company makes financial decisions independently, and I and other enterprises under my control shall not interfere in the use of funds of the listed company. I guarantee that the listed company pays taxes independently according to law. and I guarantee that the financial personnel of the listed company are independent, and shall not take part-time jobs and receive remuneration in myself and other enterprises under my control. (6) If I fail to fulfill the commitments made in this letter of commitment and cause losses to Chifeng Gold, I will compensate the actual loss of Chifeng Gold.</p>	April 1, 2019, long – term effective	No	Yes



# REPORT OF THE DIRECTORS

Background of commitment	Type of commitment	Committed by	Content of commitment	Date and deadline of commitment	Whether there is a deadline for performance	Whether it is strictly performed in time
Solution of horizontal competition		Li Jinyang (Zhao Meiguang)	Commitments in the issue of shares to purchase assets in 2019: (1) After the completion of this transaction, I will refrain from directly or indirectly engaging in the same, similar or competitive business with the listed company in China. I do not provide proprietary technology or provide sales channels, customer information and other business secrets to other companies, enterprises or other institutions, organizations or individuals whose businesses are the same, similar or competitive with those of the listed company in any respect. I do not support, in any form, any person other than the listed company to engage in any business that competes or may compete with the current and future main business of the listed company. (2) If it is based on supporting and consolidating the development of the listed company's main business, and the enterprise controlled by me first acquires relevant assets and generates potential peer competition, I shall formulate practical measures to solve potential horizontal competition and avoid substantial horizontal competition with listed companies. (3) I confirm that this Letter of Commitment is made to protect the rights and interests of Chifeng Gold, and if I fail to fulfill the commitments made in this letter of commitment and cause losses to Chifeng Gold, I will compensate the actual loss of Chifeng Gold.	April 1, 2019, long – term effective	No	Yes

# REPORT OF THE DIRECTORS

Background of commitment	Type of commitment	Committed by	Content of commitment	Date and deadline of commitment	Whether there is a deadline for performance	Whether it is strictly performed in time
	Solution of related party transactions	Li Jinyang (Zhao Meiguang)	<p>Commitments in the issue of shares to purchase assets in 2019: (1) After the completion of this transaction, I and the companies, enterprises or economic organizations that I control or actually control will not have related party transactions with listed companies in principle. The transactions that can occur between the listed company and the independent third party through the market will be conducted by the listed company and the independent third party. (2) After the completion of this transaction, if the listed company must have inevitable related party transactions with me or my affiliated enterprises in its business activities, I will urge such transactions to perform relevant procedures in strict accordance with relevant national laws and regulations, the Articles of Association of the listed company and relevant provisions, and sign a written agreement with the listed company according to law. I guarantee that my business activities will be conducted on normal business conditions and that I and my affiliated enterprises will not ask for or accept more favorable conditions from listed companies than third parties in any fair transaction in the market. I promise not to damage the legitimate rights and interests of listed companies through related party transactions. I and my affiliated enterprises will strictly perform the various related party transaction agreements signed with the listed company, and will not seek any interests or income beyond the provisions of such agreements from the listed company. (3) After the completion of this transaction, I and my affiliated enterprises will strictly avoid borrowing from the listed company, occupying the funds of the listed company, or embezzling the funds of the listed company by means of advance payment and debt repayment by listed companies. (4) If the violation of the above commitments causes losses to the listed company, I will make compensation to the listed company.</p>	April 1, 2019, long – term effective	No	Yes

# REPORT OF THE DIRECTORS

Background of commitment	Type of commitment	Committed by	Content of commitment	Date and deadline of commitment	Whether there is a deadline for performance	Whether it is strictly performed in time
Others		Li Jinyang (Zhao Meiguang)	Commitments in the issue of shares to purchase assets in 2019: If, according to the provisions of the Notice of the State Council on Printing and Distributing the Reform Plan of Mineral Resources Equity Payment System, when the exploration rights of Dongfeng and Lishan are transferred to mining rights, it is necessary to pay the mining right price (or the transfer fee of mining right rights) according to the estimated resource reserves in General Survey Report on the Depth (Below -92m Elevation) of Lishan Lead-Zinc Mine, Tianbaoshan Mining Area, Longjing City, Jilin Province and General Survey Report on the Depth (Below 250m Elevation) of Dongfeng Molybdenum Mine, Tianbaoshan Lead-Zinc Mine Area, Longjing City, Jilin Province as of December 31, 2018, I promise to pay the mining right price (or the transfer fee of mining right rights).	April 1, 2019, long – term effective	No	Yes
Others		Li Jinyang (Zhao Meiguang)	Commitments in the issue of shares to purchase assets in 2019: Project initiation, environmental protection, industry access, land use, planning, construction and other matters related to the mining right of Hanfeng Mining have all met the legal requirements. If Hanfeng Mining is punished or losses are caused due to the non – compliance of the above-mentioned matters, I shall bear all liabilities for compensation.	April 1, 2019, long – term effective	No	Yes

## REPORT OF THE DIRECTORS

Background of commitment	Type of commitment	Committed by	Content of commitment	Date and deadline of commitment	Whether there is a deadline for performance	Whether it is strictly performed in time
	Others	Li Jinyang (Zhao Meiguang), Hanfeng Zhongxing,	Commitments in the issue of shares to purchase assets in 2019: (1) I/we commit to maintain the stability of the existing core management team of Hanfeng Mining during the performance commitment period and not to interfere in the operation and management activities of listed companies and Hanfeng Mining beyond my authority. I/we recognize that listed companies and Hanfeng Mining determine the production task indicators for each year according to market conditions, actual production capacity increase speed and production capacity release in the future, metal prices, actual mining grades of various mining areas and other factors and will not require listed companies and Hanfeng Mining to mine resource reserves beyond the production scale of the certificate in order to achieve performance commitments. (2) I/we commit that the remaining recoverable reserves in the 2021 annual report of mine reserves of Lishan Mine and Dongfeng Mine filed by the Ministry of Land and Resources are not lower than the recoverable reserves at the end of 2021 predicted in the assessment report issued by the Yachao Appraisal for this transaction. (3) If Hanfeng Mining produces more than the production scale specified in the mining license or is punished by the relevant departments or required to pay taxes and fees for recycling low-grade ore, by-product ore and residual ore in worked out section that are not included in its resource reserves, I/we unit will fully pay or compensate Hanfeng Mining.	April 1, 2019, long – term effective	No	Yes

# REPORT OF THE DIRECTORS

## CONNECTED TRANSACTIONS

### OVERVIEW

Our Group has entered into certain transactions with the connected persons of our Company. Details of such one-off connected transactions and continuing connected transaction of our Company are set out below.

### RELEVANT CONNECTED PERSON

Beijing Eagleleap is owned as to 99% equity interest by Hanfeng United, which in turn is wholly owned by Ms. Li, a member of our single largest shareholder group. Therefore, Beijing Eagleleap is a connected person of our Company upon the Listing pursuant to Chapter 14A of the Hong Kong Listing Rules.

### ONE-OFF CONNECTED TRANSACTION

#### Property Lease Agreements

##### *Description of the Transaction*

##### *Principal terms*

Our Company entered into the 2022-2024 property lease agreement with Beijing Eagleleap on 1 January 2022, pursuant to which Beijing Eagleleap agreed to lease to us certain premises with a total gross floor area of approximately 2,226 square metres located at A7 Xiaojing, Wanfeng Road, Fengtai District, Beijing, the PRC (中國北京市豐台區萬豐路小井甲 7 號院) as the office premises of our headquarters in the PRC for a term of three years from 1 January 2022 to 31 December 2024. On 20 August 2024, our Company entered into the 2025-2026 property lease agreement with Beijing Eagleleap for the lease of the leased premises for a term of two years from 1 January 2025 to 31 December 2026. Under the 2025-2026 property lease agreement, our Company has the priority right to renew the lease upon notification of such request to Beijing Eagleleap 60 days prior to the expiry of the lease.

The property lease agreements were entered into (i) in the ordinary and usual course of business of our Group; (ii) on arm's length basis; and (iii) on normal commercial terms with the rent being determined with reference to, among others, the leased area, geographical location and condition of the leased premises and the prevailing market rates for similar properties in the surrounding area.



## REPORT OF THE DIRECTORS

Under the 2022-2024 property lease agreement, there was no balance of the lease liabilities, being the present value of the lease payments recognized by our Group in relation to the leased premises according to Accounting Standards for Business Enterprises No. 21 “Leases” as of 31 December 2024. For the years ended 31 December 2023 and 2024, the value of the right-of-use assets acquired by us from Beijing Eagleleap were RMB4,356,636.56 and nil respectively.

Under the 2025-2026 property lease agreement, the balance of the lease liabilities and the value of the right-of-use assets acquired by us from Beijing Eagleleap according to Accounting Standards for Business Enterprises No. 21 “Leases” as of the date of the agreement amounted to RMB7,985,812.00.

### *Reasons for and benefits of the transaction*

We have been using the leased premises during the Reporting Period. Any relocation of our headquarters may cause unnecessary disruption of our administration and incur additional costs. The continuation of such lease is cost efficient and is beneficial to our operations.

In light of the above, our Directors are of the view that the transactions under the property lease agreements are fair and reasonable and in the best interest of our Group and the Shareholders as a whole.

### *Hong Kong Listing Rules Implication*

In accordance with Accounting Standards for Business Enterprises No. 21 “Leases”, our Company recognized a right-of-use asset on its balance sheet in connection with the lease of the properties from Beijing Eagleleap. Therefore, the leases of the leased premises from Beijing Eagleleap under the property lease agreements are regarded as acquisitions of capital asset and one-off connected transactions of our Company for the purposes of the Hong Kong Listing Rules. Accordingly, the reporting, announcement, annual review and independent Shareholders’ approval requirements in Chapter 14A of the Hong Kong Listing Rules will not be applicable.

## FULLY EXEMPT CONTINUING CONNECTED TRANSACTION

We have entered into the following continuing connected transaction which will be exempt from the annual review, reporting, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules.



# REPORT OF THE DIRECTORS

## Property Management Services Agreement

### *Description of the Transaction*

#### Principal terms

Our Company entered into a property management services agreement with Beijing Eagleleap on 20 August 2024, pursuant to which Beijing Eagleleap agreed to provide property management services to our Company for our use of the leased premises and to address the daily needs of our employees at the headquarters. The scope of services provided by Beijing Eagleleap comprise the following:

- (i) Property-related services, including provision of utility (electricity), fire safety, cleaning and security services for the leased premises;
- (ii) Conference services, including maintaining the conference rooms, reception and catering services at the conferences of our Company;
- (iii) Car leasing, including provision of vehicles available for rental for business use by our employees; and
- (iv) Other supporting services, including provision of staff dormitory, maintaining the staff canteen and conference meals preparation.

The term of the property management services agreement is two years from 1 January 2024 to 31 December 2025.

#### Pricing policy

The pricing of the property management services under the property management services agreement shall be determined in accordance with the following principles:

- (i) the prescribed price imposed by the national or local price administrative departments of the PRC (and in relation to the utility (electricity), that is charged in accordance with the pricing standard for Beijing electricity sales issued by the Beijing Municipal Commission of Development and Reform (北京市發展和改革委員會) from time to time on its website); or in the absence of which,
- (ii) the market price upon negotiation between the parties. In determining the market price, both parties shall take into consideration, among others, the following key factors:
  - (a) the prevailing market price charged by any third party providing a similar service, after making reference to at least two quotations from independent third party service providers for similar services; and
  - (b) in case where the same or similar services have been provided by Beijing Eagleleap to a third party, the minimum quotation offered by Beijing Eagleleap.

## REPORT OF THE DIRECTORS

### *Reasons for and benefits of the transaction*

Beijing Eagleleap has been providing property management services to us as ancillary services for the office use of the headquarters during the Reporting Period. Any change of the current arrangement may cause unnecessary disruption of our administration and incur additional costs. The continuation of such arrangement is cost efficient and is beneficial to our operations. See also the paragraph headed “One-off Connected Transaction — Property Lease Agreements — Reasons for and benefits of the transaction” in this section for details.

The Group incurred property management services of RMB1,255,295.40 for the year ended 31 December 2024 which did not exceed the cap of property management service agreement for the year ended 31 December 2024 of RMB3,000,000.

The transactions contemplated under the agreements between them constituted connected transactions as defined in Listing Rules.

The continuing connected transaction above for the year ended 31 December 2024 have been reviewed by the independent non-executive Directors. The independent non-executive Directors have confirmed that the continuing connected transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- (c) in accordance with the respective agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

### *Hong Kong Listing Rules Implications*

As each of the applicable percentage ratios (other than the profits ratio) is expected to be, on an annual basis, less than 0.1%, the transaction under the property management services agreement between the Company and Beijing Eagleleap is exempt from the annual review, reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

## REPORT OF THE DIRECTORS

The Company's independent non-executive Directors have reviewed the aforementioned continuing connected transactions and confirmed that these transactions have been entered into:

- (1) in the ordinary and usual course of business of the Company;
- (2) on normal commercial terms, or, in the absence of similar transactions to judge whether the terms are normal commercial terms, on terms no less favourable to those under the transactions between the Company and independent third parties; and
- (3) in accordance with the terms of the relevant agreements governing the transactions and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board confirmed that Ernst & Young Hua Ming LLP has issued the unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Hong Kong Listing Rules. That is, nothing has come to the auditor's attention that causes it to believe that the continuing connected transactions: (1) have not been approved by the Board; (2) were not conducted in all material respects in accordance with the pricing policies of the Group where the transactions involve the provision of goods or services by the Group; (3) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and (4) have exceeded the caps.

The significant related party transactions set out in Note XII to the financial statements (except for the income collection arrangement in relation to the toll income related trade receivables from the Shandong Transport Department) which also constitute connected transactions/continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules are in compliance with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

Save as disclosed in this report, during the Reporting Period, none of the connected transactions or continuing connected transactions of the Company shall be disclosed pursuant to the provisions in respect of connected transaction disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

## REPORT OF THE DIRECTORS

### INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

As at 31 December 2024, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong)) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors, supervisors and chief executives of the Company are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange are as follows:

Name	Position	Nature of interest	Description of Shares	Number of Shares	Approximate percentage of interest in the total issued share capital of our Company (i.e. A shares) as at 31 December 2024
Wang Jianhua	Chairman of the Board and Executive Director	Beneficial owner	A Shares	74,200,071	4.46%
Yang Yi-fang	Executive Director and Chief Executive Officer	Beneficial owner	A Shares	113,000	0.01%
Lyu Xiaozhao	Executive Director, Vice President and Chief Engineer	Beneficial owner	A Shares	111,700	0.01%
Gao Bo	Executive Director and Vice President	Beneficial owner	A Shares	153,500	0.01%

Save as disclosed above, during the Reporting Period, none of the Directors, Supervisors and chief executive of the Company or their associates had any interests or short positions in the shares, underlying shares, or debentures of the Company or its associated corporations (as defined in the SFO) that were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. None of the Directors, Supervisors and chief executive of the Company or their spouses or children under the age of 18 have any rights to subscribe for the shares, underlying shares or debentures of the Company, or have exercised any such rights.



## REPORT OF THE DIRECTORS

Save as disclosed in this report, no arrangement has been entered into between the Company or its holding company or its subsidiaries at any time during the Reporting Period, which will allow the Directors, Supervisors and chief executive of the Company to be benefited by acquiring the shares, underlying shares or debentures of the Company or other body corporates.

### SHARE CAPITAL AND SHAREHOLDERS

As at 31 December 2024, details of the Company's issued ordinary shares (with par value of RMB1.00 each) are set out in Note V. 35 to the financial statements.

### CHANGES IN SHARE CAPITAL

#### I. Statement of changes in shares

##### (I) Statement of changes in shares

During the Reporting Period, there was no change in the total number of shares and the share capital structure of the Company.

##### (II) Other contents that the Company deems necessary or required to be disclosed by securities regulatory authorities

Upon approval by the Listing Committee of the Hong Kong Stock Exchange, the 205,652,000 H Shares issued by the Company (before the exercise of the over-allotment options) were listed and traded on the Main Board of the Hong Kong Stock Exchange on 10 March 2025. The total share capital of the Company increased from 1,663,911,378 A Shares to 1,869,563,378 Shares (comprising 1,663,911,378 A Shares and 205,652,000 H Shares).

## REPORT OF THE DIRECTORS

### II. Shareholdings of top ten shareholders

As at 31 December 2024, the Company has a total of 128,352 Shareholders. Based on the percentage of shareholding in the share capital of the Company, the shareholdings of the Company's top ten Shareholders are as follows:

#### Shareholdings of top ten shareholders (excluding shares lent through refinancing)

Name of shareholders (Full name)	Increase/decrease during the Reporting Period	Number of shares held at the end of the period	Ratio (%)	Number of shares held with sales restrictions	Pledged, marked or frozen Status of shares	Number of shares	Nature of shareholders	Class of Shares
Li Jinyang	0	190,410,595	11.44	0	Pledged	34,000,000	Domestic natural person	A Share
118 Combination of National Social Security Fund	650,000	77,302,884	4.65	0	Nil	0	Others	A Share
Wang Jianhua	571,900	74,200,071	4.46	0	Nil	0	Domestic natural person	A Share
Hong Kong Securities Clearing Company Limited	43,146,650	67,120,431	4.03	0	Nil	0	Overseas legal person	A Share
Yantai Hanfeng Zhongxing Management Consulting Center (Limited Partnership)	0	51,515,151	3.10	0	Pledged	27,533,040	Others	A Share
Beijing Lexi Private Fund Management Co., Ltd. – Beijing Lexi Kaitai Private Securities Investment Fund	30,000,000	30,000,000	1.80	0	Nil	0	Others	A Share
Agricultural Bank of China Limited – CSI 500 Exchange- traded Open-end Index Securities Investment Fund	14,062,503	23,276,839	1.40	0	Nil	0	Others	A Share
110 Combination of National Social Security Fund	8,709,156	14,897,411	0.90	0	Nil	0	Others	A Share
117 Combination of National Social Security Fund	13,500,000	13,500,000	0.81	0	Nil	0	Others	A Share
ICBC-AXA Assurance Co., Ltd – Self-owned Fund	10,200,000	13,366,785	0.80	0	Nil	0	Others	A Share

## REPORT OF THE DIRECTORS

So far as our Directors are aware, as at 31 December 2024, the following persons will have an interest or short position in our Shares or underlying Shares of our Company which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

### LONG POSITIONS IN THE SHARES OF OUR COMPANY

Shareholders	Nature of Interest	Description of Shares	Number of Shares	Approximate percentage of interest in the total issued share capital of our Company (i.e. A shares) as at
				31 December 2024
Ms. Li Jinyang <sup>(1)</sup>	Beneficial owner	A Shares	190,410,595	11.44%
	Interest in controlled corporation	A Shares	51,515,151	3.10%

Note:

- (1) As at 31 December 2024, Ms. Li pledged 34,000,000 A Shares, representing approximately 2.04% of our Company's total issued share capital, to a PRC licensed financial institution for her personal financing purpose.
- (2) Ms. Li and Mr. Wu Zengxiang are the sole limited partner and general partner of Hanfeng Zhongxing accounting for approximately 99.00% and 1.00% of the committed capital contribution of Hanfeng Zhongxing, respectively. The role of Mr. Wu is to represent Hanfeng Zhongxing in external business and operational matters upon the authorization of Ms. Li in accordance with the limited partnership agreement of Hanfeng Zhongxing. Mr. Wu does not, and cannot exercise control over Hanfeng Zhongxing; and taking in account of the above, the majority interest held by Ms. Li enables her to exercise de facto control of Hanfeng Zhongxing. Therefore, Mr. Wu has no control over the voting rights in share capital of our Company held by Hanfeng Zhongxing, nor the control of Hanfeng Zhongxing in the exercise of such voting rights. Those are rested solely with Ms. Li. Please refer to the section headed "Relationship with our Single Largest Shareholder Group — Our Single Largest Shareholder Group" in the Prospectus for details. Accordingly, Ms. Li is deemed to be interested in the 51,515,151 A Shares held by Hanfeng Zhongxing. As at 31 December 2024, Hanfeng Zhongxing pledged 27,533,040 A Shares, accounting for approximately 1.65% of our Company's total issued share capital, to a PRC licensed financial institution for Ms. Li's personal financing purposes.

Save as disclosed herein, our Directors are not aware of any person who as at 31 December 2024, have an interest or short position in our Shares or underlying Shares of our Company which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

# REPORT OF THE DIRECTORS

## STOCK OWNERSHIP PLAN

### 1. Employee Stock Ownership Plans

Our Company adopted the Phase I ESOP, the Phase II ESOP and the Phase III ESOP on October 13, 2020 (as revised on May 26, 2021, September 30, 2022 and April 20, 2023), February 27, 2023 (as revised on March 20, 2023) and January 15, 2025, respectively.

The purpose of the ESOPs is to provide an incentive for the eligible participants (namely, the Directors, Supervisors, senior management and key members of our Company and its subsidiaries) a means through which our Group may grant incentives to attract, motivate, retain and reward them. They aim to foster shared interests between our Shareholders and our management team, thereby furthering our Company's focus on long-term development.

As of the date of this report, an aggregate of 15,192,600 A Shares (including 10,000 A Shares under Phase I ESOP and 15,182,600 A Shares under Phase III ESOP) were being held under the ESOPs whilst Phase II ESOP had disposed of all the A Shares held by it by September 30, 2024. The ESOPs are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules as they do not involve the grant of options by our Company to subscribe for new Shares or award of Shares upon Listing.

The key terms and implementation of the ESOPs are as follows.

#### (a) Plan limit

The maximum number of participants under the Phase I ESOP, the Phase II ESOP and the Phase III ESOP shall not exceed 98, 120 and 210, respectively. Meanwhile, the maximum number of A Share to be held by the Phase I ESOP, the Phase II ESOP and the Phase III ESOP shall be 41,597,732 A Shares, 16,575,406 A Shares and 15,182,600 A Shares, accounting for approximately 2.50%, 0.9962% and 0.9125% of our Company's issued Share capital, respectively.

The total number of Shares held by each of the ESOPs shall not exceed 10% of the issued share capital of our Company. The maximum number of Shares corresponding to the awards held an individual participant shall not exceed 1% of the issued share capital of our Company.

#### (b) Contribution of funds to the ESOP

The eligible participants shall use their salaries and personal funds to subscribe to the ESOP, and obtain the corresponding interest in the ESOP.

## REPORT OF THE DIRECTORS

### (c) *Source of Shares*

The A Shares obtained by the ESOP shall be the A Shares repurchased by the Company through centralized price bidding process.

The Phase I ESOP has entrusted an Independent Third Party professional institution with asset management qualifications to establish a directional plan available for subscription by the eligible participants. Within six months from the approval of the ESOP by the general meeting, the directional plan would obtain and hold the A Shares repurchased by our Company through a block trade process. Such funds would not be used to purchase the shares of other companies.

The Phase II ESOP and the Phase III ESOP are maintained by our Company. The management committee of Phase II ESOP shall the asset manager and exercise all shareholders' rights in relation to the A Shares held by the plan. It would set up a securities account designated for the plan of the Company whereby the A Shares repurchased by our Company are obtained by the plan by non-transactional transfer means and other means as permitted under applicable laws and regulations.

The purchase price of such A Shares by the ESOP shall be the average price paid by our Company for the repurchase of such Shares.

As of April 30, 2021, April 28, 2023 and June 27, 2024, our Company repurchased a total of 41,597,732, 16,575,406 and 15,182,600 A Shares for the purpose of the Phase I ESOP, the Phase II ESOP and the Phase III ESOP, respectively.

Upon the expiry of the lock-up period, various A Shares had been disposed of by the Phase I ESOP and the Phase II ESOP and as of the date of this report, the Phase I ESOP held 10,000 A Shares whilst the Phase II ESOP had disposed of all the 16,575,406 A Shares held by it and did not hold any Shares.

### (d) *Term*

The term of the Phase I ESOP shall be 36 months and the term of each of the Phase II ESOP and the Phase III ESOP shall be 24 months, commencing from the date when the respective ESOP is approved by the general meeting and the Company announcing the transfer of the last batch of the subject Shares to the ESOP, respectively.

Upon expiry of the lock-up period, the ESOPs can be terminated early if all the Shares held by the ESOPs are disposed of, and all assets (if any) held by the ESOPs are in the form of cash and have been liquidated or distributed.



## REPORT OF THE DIRECTORS

### (e) *Lock-up period*

The lock-up period for each of the ESOPs is 12 months from the date when the ESOP (as revised) is approved by the general meeting and our Company announces the transfer of the last batch of subject Shares to the ESOP.

Upon expiry of the lock-up period and prior to the expiration of the term of the ESOP, the management committee of the ESOP (see below) may, upon authorization from the resolutions of the participants, sell or transfer the Shares held by the ESOP as it deems appropriate.

### (f) *Performance target*

The entitlement to the corresponding benefits from the ESOP by the participants shall be subject to the following performance targets:

- For the Phase I ESOP, if our Company's cumulative gold production from 2022 to 2024 is not less than 43 tonnes, the plan could distribute an amount equivalent to the entire accumulated equity interest in the subject Shares after repaying the financing principal and interest of the directional plan.
- For the Phase II ESOP, if our Company realizes an increase in net profit attributable to Shareholders of the listed company by 30% or above in 2023 when compared to that of the previous year, the plan could distribute an amount equivalent to the entire accumulated equity interest in the subject Shares.
- For the Phase III ESOP, if our Company's gold production for 2025 realizes a growth of 5% or above from that for 2024, the plan could distribute an amount equivalent to the entire accumulated equity interest in the subject Shares.

### (g) *Management committee*

Each of the ESOPs have established a management committee to oversee the daily management of the ESOP. The committee consists of three members who are elected through resolutions of the participants. Resolutions may only be passed by the management committee when majority members voting in favour of such resolution, and each management committee member shall have one vote.

The management committee is responsible for the daily management of the ESOP, including: (i) supervising the daily management of the ESOP on behalf of all its participants, (ii) exercising the shareholder rights in respect of the Shares held by the plan; (iii) managing the distribution of benefits from the ESOP; and (iv) making decision as to the disposal of the Shares held by the ESOP upon expiry of the lock-up period in accordance with the terms of the ESOP, any and all rights pertaining to the A Shares held by the ESOP, including the voting rights, the dividend rights and the rights to dispose of such Shares, rest solely in the management committee instead of the individual participants.

## REPORT OF THE DIRECTORS

Save for (i) Mr. Zhao Qiang who is a director of Xiamen Chijin Xiawu Metal Resources Limited (廈門赤金廈鎢金屬資源有限公司), previously known as Shanghai Chijin Xiawu Metal Resources Limited (上海赤金廈鎢金屬資源有限公司) (“Chijin Xiawu”) and serves as a management committee member of the Phase I ESOP; (ii) Mr. Zhou Xinbing who is a director of Chijin International (HK) Limited (赤金國際(香港)有限公司) and Lane Xang Minerals Limited Company and serves as a management committee member of the Phase I ESOP; and (iii) Mr. Dong Shubao who is a director of Chijin Xiawu and serves as a management committee member of the Phase I ESOP, none of the management committee members of the ESOPs is a core connected person of our Company.

### (h) *Distribution*

During the term of the ESOP, unless otherwise stipulated by laws, administrative regulations, departmental rules, or with the consent of the management committee, the corresponding interest in the plan held by the participants shall not be transferred, used as collateral, or otherwise disposed of in a similar manner.

During the term of the ESOP, participants shall not request for distribution of the equity interest in the Shares held by the ESOP.

Upon expiry of the term of the ESOP, if the assets (if any) held by the ESOP still include the Shares, the management committee shall determine the disposal method of such Shares. The management committee may also, with the authorization from the resolution of the participants, liquidate the plan within 30 working days from such expiration date, after deducting relevant taxes and fees as required by the law. The distribution of the proceeds from the aforesaid disposal shall be based on the fulfillment of the performance target and the corresponding interest in the plan held by individual participants. Given that the distribution shall only be made after the term of the ESOP when the Shares held by the ESOP Platform had been disposed of, fulfillment of the performance target will not lead to a drop in the public float of the Company.

## REPORT OF THE DIRECTORS

### 2. Information about equity-settled share-based payment

Unit: Yuan Currency: RMB

Total amount of equity instruments granted by the Company during the year	–
Total amount of equity instruments exercised by the Company during the year	16,575,406 shares
Total amount of equity instruments of the Company invalid during the year	–
The range of exercise prices of outstanding stock options issued by the Company at the end of the year and the remaining contract term	N/A
The range of exercise prices of other outstanding equity instruments issued by the Company at the end of the year and the remaining contract term	N/A

Unit: Yuan Currency: RMB

Determination of fair value of equity instruments on the grant date	The Company determines the fair value of the employee stock ownership plan by subtracting the grant price from the market price on the grant date
Important parameters of fair value of equity instruments on the grant date	–
Basis for determining the number of exercisable equity instruments	The performance indicators of the Company shall be evaluated on the basis of the number of incentive objects that have reached the evaluation target
Reasons for the significant difference between the current estimate and the previous estimate	N/A
Cumulative amount of equity-settled share-based payment included in capital reserve	–
Total expenses of equity-settled share-based payment recognised during the year	–

### 3. Cash-settled share-based payments

In 2024, the Company had no cash-settled share-based payments.

Details of the incentive scheme are set out in Note XIII to the financial statements.

# REPORT OF THE DIRECTORS

## SHARE OPTION SCHEME

As at the date of this report, the Company has neither granted nor agreed to grant options to any of its Directors, Supervisors, chief executive, substantial shareholders or their respective associates or the employees of the Company or its subsidiaries.

## MAJOR SUPPLIERS AND CUSTOMERS

Details of our Company's five largest suppliers, five largest customers and the largest suppliers and the largest customers are set out in the section headed "Management Discussion and Analysis" of this report (such contents therein form a part of this Report of the Directors). All transactions between our Company and relevant customers and suppliers are on normal commercial terms.

As far as the Directors are aware, none of the Directors, Supervisors, or any Shareholders holding more than 5% of the Shares of the Company and its respective associates (as defined in the Listing Rules) had any interest in the above top five suppliers and customers during the Reporting Period.

## PRE-EMPTIVE RIGHTS

According to the Articles of Association of the Company and the laws of the PRC, there are no provisions for pre-emptive rights requiring the Company to offer new shares to its existing Shareholders in proportion to their shareholdings.

## BUSINESS REVIEW

A fair review of the business of the Group as well as a discussion and analysis of the Group's performance during the Reporting Period, including a discussion of the principal risks and uncertainties faced by the Group and an indication of likely future developments in the Group's business, can be found in the sections headed "Chairman's Statement", "Financial Highlight", "Resources and Reserves", "Management Discussion and Analysis" in this report (such contents therein form a part of this "Report of the Directors").

For discussion on the Group's compliance with relevant laws and regulations that have a significant impact on the Group and the Group's environmental policies and performance, please refer to the sections headed "Management Discussion and Analysis" and "Sustainability" in this report.

# REPORT OF THE DIRECTORS

## KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Details of the staff of the Group and the related remuneration policy and training programs are set out in this “Report of the Directors” “Employees of the Parent Company and Major Subsidiaries at the end of the Reporting Period”.

The Group maintains a good relationship with its customers. Our Group operates in accordance with laws and regulations, abides by contracts, follows international rules, rejects commercial frauds, and strives to provide customers with high-quality, safe and responsible products and services.

The Group maintains a good relationship with its suppliers. The Group continuously improves its procurement process mechanism, strengthens its management over suppliers, and consistently adheres to the business principles of integrity and trustworthiness. It enhances communication with suppliers through various means, striving to achieve win-win cooperation and mutual development.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The 2024 environmental, social and governance report of the Company is published on the same date as this annual report. Such contents form a part of this “Report of the Directors”.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company did not repurchase its A Shares on the Shanghai Stock Exchange. At the beginning of the Reporting Period, the Company had repurchased an aggregate of 15,182,600 A Shares, all of which were deposited in the Company’s repurchased securities account and yet to be cancelled for the use of the Company’s A Share incentive plan (i.e. the Phase III Employee Stock Ownership Plan, please refer to the section “C. Further Information about our Directors, Supervisors and Substantial Shareholders — 4. Employee Stock Ownership Plans” in Appendix VII to the Prospectus for details). Such repurchase of A Shares was conducted in accordance with the resolution considered and passed at the eighteenth meeting of the eighth session of the Board of the Company held on 27 June 2023, which approved the “Proposal on the Repurchase of Shares (Phase III) through Centralised Price Bidding” to approve that the Company repurchased certain listed ordinary shares (A Shares) in issue of the Company using its own funds through centralised price bidding for the purpose of employee stock ownership plan or equity incentive plan.

On 24 February 2025, the Company received the Confirmation Letter on Securities Transfer and Registration (證券過戶登記確認書) issued by the China Securities Depository and Clearing Corporation Limited. There were 15,182,600 A Shares transferred from the Company’s repurchase securities account to the employee stock ownership plan securities account by way of non-trade transfer on 21 February 2025, at a transfer price of RMB14.50 per Share. As such, the share transfer has been completed for the Phase III Employee Stock Ownership Plan of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities (including the sale of treasury shares) during the year ended 31 December 2024.

Save as disclosed above, the Company did not hold any treasury shares as at 31 December 2024.



# REPORT OF THE DIRECTORS

## SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The current Directors and Supervisors have entered into service contracts with the Company, for a period from the date of their appointment until the expiry of the term of the eighth session of the Board or the seventh session of the Supervisory Committee. According to the Articles of Association of the Company, the Directors shall hold office for a term of three years and are eligible for re-election. According to the Company Law of the PRC, supervisors shall hold office for a term of three years and are eligible for re-election. The remuneration of the Directors and Supervisors of the Company is subject to revision by the general meeting. Save as disclosed above, no Director or Supervisor has entered into any service contract with the Company that cannot be terminated without compensation (excluding statutory compensation) within one year.

## DIRECTORS AND SUPERVISORS AND THEIR TERMS

During the Reporting Period and up to the date of publication of this annual report, the Directors and Supervisors and their terms are as follows:

Name	Position	Gender	Age	Start date of term of office	Expiration date of term of office
Wang Jianhua	Director	Male	69	2018-09-17	
	Chairman			2019-12-21	
Yang Yi-fang	Director	Female	48	2022-07-26	
	Chief Executive Officer			2022-12-30	
Lyu Xiaozhao	Director	Male	61	2012-12-14	
	Vice President and Chief Engineer			2023-09-27	
Gao Bo	Director	Male	56	2012-12-14	
	Vice President			2023-01-18	
Zhang Xudong	Director	Male	59	2022-01-04	
Mao Jingwen	Independent Director	Male	68	2022-01-04	
Shen Zhengchang	Independent Director	Male	64	2022-01-04	
Hu Nailian	Independent Director	Male	69	2022-01-04	
Wong Yet Ping Ambrose	Independent Director	Male	45	2024-08-23	
Cheng Zhenlong	Supervisor	Male	58	2022-01-04	
	Chairman of the Supervisory Committee			2022-12-30	
Ji Hongyong	Supervisor	Male	50	2022-01-02	
Liu Fengwu	Employee Representative Supervisor	Male	50	2024-01-02	
Li Yan	Independent Director	Female	68	2018-09-17	2024-08-23
Guo Qingui	Independent Director	Male	52	2018-09-17	2024-08-23

# REPORT OF THE DIRECTORS

## BRIEF INFORMATION OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Brief information of the Directors, Supervisors and senior management are set out in the section headed “Brief Biography of Directors, Supervisors and Senior Management” in this report.

## MANAGEMENT CONTRACT

Other than the service contracts with Directors, the Company did not enter into any contracts with any individual, company or corporate entity during the Reporting Period to undertake the management and administration of all or any major part of the Company’s business.

## PERMITTED INDEMNITY PROVISION

The Company has purchased Director and Officer Liability Insurance for its Directors and senior management. Besides, at no time during the Reporting Period and up to the date of this report, there was or is any permitted indemnity provision being in force for the benefit of any Directors of the Company or its associated companies (whether made by the Company or otherwise).

## DIRECTORS’ AND SUPERVISORS’ INTERESTS IN MAJOR TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Saved as the service contracts of the Directors and Supervisors as disclosed above, there were no transactions, arrangements or contracts of significance to which the Company or its controlling company or its subsidiaries were a party to and in which a Director or Supervisor of the Company or an entity connected with a Director or Supervisor had a material interest, either directly or indirectly, subsisting at the end of the reporting period or at any time during the reporting period.

## CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

Mr. Liu Fengwu has been an Employee Representative Supervisor of our Group since 2 January 2024.

In accordance with the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines for Self-Regulation of Companies Listed on the Shanghai Stock Exchange No. 1 – Regulation of Operation and other regulations, Ms. Li Yan and Mr. Guo Qingui have resigned from their positions as independent non-executive directors of the Company and related special committee roles on 7 August 2024 as they would have served as independent directors for 6 consecutive years. Before the election of a new independent non-executive director at the general meeting, Ms. Li Yan and Mr. Guo Qingui will continue to perform their duties.

Dr. Wong Yet Ping Ambrose was appointed as an independent non-executive director at the first extraordinary general meeting of the Company in 2024 held on 23 August 2024. Ms. Li Yan and Mr. Guo Qingui resigned from their positions as independent non-executive directors of the Company and related special committee roles with effect on the same day.

Mr. Wong Hok Bun Mario has been the Company Secretary of the Company since 10 March 2025 when the Company’s H shares were listed.

# REPORT OF THE DIRECTORS

Save as disclosed above, during the reporting period, there were no changes in the directors, supervisors and senior management of the Company, and there have been no changes in the directors, supervisors and senior management of the Company after the reporting period and as of the date of this report.

## CHANGES IN DIRECTORS' AND SUPERVISORS' INFORMATION

Mr. Mao Jingwen, an independent non-executive Director, resigned as an independent director of Shenghe Resources Holdings Co., Ltd. (盛和資源控股股份有限公司) (stock code on the Shanghai Stock Exchange: 600392) on 12 January 2024, and Mr. Zhang Xudong, a non-executive Director, resigned as an independent non-executive director of Lufax Holding Ltd (stock code on the New York Stock Exchange: LU and stock code on the Hong Kong Stock Exchange: 06623) on 22 November 2024. Mr. Ji Hongyong has been appointed as the general manager of Huatai Mining with effect from 1 January 2024. Save as disclosed above, there are no changes in directors' and supervisors' information that need to be disclosed under Rule 13.51B(1) of the Listing Rules.

## COMPETING BUSINESS

As at the date of this report, none of the Directors or Supervisors of the Company holds any interest in business other than the businesses of the Group which directly or indirectly competes or is likely to compete with the business of the Group.

## REMUNERATION OF DIRECTORS AND SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Remuneration of the Directors and Supervisors is determined by the Remuneration and Appraisal Committee after considering factors such as the remuneration paid by comparable companies, the time commitment and duties of the Directors and Supervisors.

Details of remuneration of the Directors, Supervisors and the five highest paid individuals of the Company during the Year are set out in Note XVI.3 to the financial statements in this report.

## THE BOARD AND BOARD COMMITTEES

Details of the Board and Board committees are set out in the sub-section headed "Corporate Governance Report – Corporate Governance" in this report, and the contents therein form a part of this Report of the Board of Directors.

## MATERIAL LITIGATION AND ARBITRATION

So far as the Directors of the Company are aware, the Company was not engaged in any material litigation, arbitration or claim, and no litigation or claim of material importance was pending or threatened against the Company during the Year.

## FINANCIAL ASSISTANCE AND GUARANTEES PROVIDED TO AFFILIATED COMPANIES

There is no financial assistance provided to affiliated companies by the Company and guarantees given for facilities granted to its affiliated companies which together in aggregate exceeds 8% under the assets ratio defined under rule 14.07(1) of the Listing Rules.

# REPORT OF THE DIRECTORS

## EQUITY-LINKED AGREEMENT

The Company has not entered into any equity-linked agreement during the Reporting Period.

## SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted a set of standards no less stringent than the Model Code as the model code for the trading of securities by the Directors and the Supervisors of the Company. As the H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 10 March 2025, the Model Code is only applicable to the Company since the listing date of the H Shares. All Directors, Supervisors and relevant employees, having made specific enquiries, confirmed that they have been in compliance with the Model Code during the period from the listing date of the H Shares and up to the date of this annual report.

## BONDS

During the Reporting Period, the Company did not issue any bonds.

## AMENDMENTS TO THE ARTICLES OF ASSOCIATION

During the Reporting Period, the Proposal on Amending the Articles of Association (Draft) and Related Rules of Procedure of Chifeng Jilong Gold Mining Co., Ltd. effective from the Issuance and Listing of H Shares 《關於修訂H股發行上市後生效的〈赤峰吉隆黃金礦業股份有限公司章程（草案）及相關議事規則的議案〉》 was considered and approved at the first extraordinary general meeting of 2024 of the Company held on 23 August 2024. In order to meet the needs of issuing H Shares and listing on the Hong Kong Stock Exchange, the Company has made amendments to the Articles of Association and its annexes as detailed in the prospectus.

## RETAINED EARNINGS

Details of the retained earnings of the Company as at 31 December 2024 are set out in Note V. 41 to the financial statements.

## ASSETS PLEDGED OR CHARGED OF THE GROUP

Details of the pledged or charged assets of the Group as at 31 December 2024 are set out in Note V. 19 to the financial statements.

## CURRENCY AND INTEREST HEDGING POLICY

The Group does not have a formal currency hedging policy and has not entered into any major foreign currency contracts or derivatives to hedge against its currency and interest rate risks.

## FIXED ASSETS

Details of movements of the fixed assets of the Group for the year ended 31 December 2024 are set out in Note V. 11 to the financial statements.

## DISTRIBUTABLE RESERVES

Pursuant to the relevant laws and regulations, the distributable reserves of the Company as at 31 December 2024 amounted to RMB4,692,581,402.64 (31 December 2023: RMB4,415,221,094.19).

# REPORT OF THE DIRECTORS

## BANK LOANS AND OTHER BORROWINGS

Details of the bank loans, financial liabilities held for trading and other borrowings of the Group are set out in Notes V. 20, 21, 27 and 29 to the financial statements.

## CONTINGENT LIABILITIES

Details of contingent liabilities are set out in Note XIV. 2 to the financial statements.

## DONATIONS

During the Reporting Period, the Group made charitable and other donations amounting to approximately RMB1.969 million (2023: RMB7.5371 million).

## TAXATION

Details of the Group's taxation are set out in Notes IV. and V. 56 to the financial statements.

## CAPITAL COMMITMENTS

Details of the capital commitments of the Group during the year are set out in Note XIV.1 to the financial statements in this report.

## PUBLIC FLOAT

The Hong Kong Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rule 8.08(1)(b) (as amended by Rule 19A.13A) of the Hong Kong Listing Rules that the minimum percentage of the H Shares of the Company to be held by the public from time to time shall be the higher of (a) 11% (assuming no exercise of the Offer Size Adjustment Option and the Over-allotment Option) and (b) such percentage of H Shares to be held by the public immediately after completion of the Global Offering, as increased by the H Shares to be issued upon any exercise of the Offer Size Adjustment Option and the Over-allotment Option, of the total enlarged issued share capital of the Company.

Immediately after the completion of the Global Offering before any exercise of the Over-allotment Option, the number of H Shares held in public hands represents approximately 11.00% of the total issued share capital of the Company.

Immediately after the full exercise of the Over-allotment Option, the number of H Shares held in public hands represents approximately 12.44% of the total issued share capital of the Company, which satisfies the minimum percentage prescribed in the conditions imposed in the waiver granted by the Hong Kong Stock Exchange from strict compliance with the requirements of Rule 8.08(1)(b) (as amended by Rule 19A.13A) of the Hong Kong Listing Rules.

Immediately after the end of the stabilization period, the Company will continue to comply with the minimum public float requirement as prescribed in the waiver granted by the Hong Kong Stock Exchange from strict compliance with the requirements of Rule 8.08(1)(b) (as amended by Rule 19A.13A) of the Hong Kong Listing Rules.



# REPORT OF THE DIRECTORS

## AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in accordance with the provisions of the Corporate Governance Code.

Details of the convening of meetings of the Audit Committee are set out in the sub-section headed “Corporate Governance Report – Specialized Committees under the Board of Directors” in this report, and the contents therein form a part of this Report of the Board of Directors.

The Audit Committee has reviewed the Group’s annual results and financial report for the year ended 31 December 2024 and discussed internal control and financial reporting matters. The committee considers that the annual results and financial report comply with the applicable accounting standards and relevant laws and regulations and have made sufficient disclosure.

## APPOINTMENT AND DISMISSAL OF AUDITOR

Unit: 0’000    Currency: RMB

Currently recruited	
Name of domestic audit firm	Ernst & Young Hua Ming LLP (Special General Partnership)
Remuneration paid to domestic audit firm	240.00
Audit period of domestic audit firm	1 year
Name of certified public accountants of domestic audit firm	He Xin, Zhang Yu
Accumulative service life of certified public accountants of domestic audit firm	3 years

Name		Remuneration
Internal control audit accounting firm	Ernst & Young Hua Ming LLP (Special General Partnership)	60.00

The Company has not changed auditors in any of the past three years.

# REPORT OF THE DIRECTORS

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

1. Pursuant to the resolution passed at the general meeting convened by the Company on 15 January 2025, the Phase III Employee Stock Ownership Plan was approved, aimed at providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Phase III Employee Stock Ownership Plan became effective on 25 February 2025 and, unless otherwise canceled or amended, will remain in force for 24 months from that date. All Shares granted to participants shall be subject to performance conditions, namely achieving a year-on-year increase of 5% (including 5%) or more in the Company's gold production by 2025. As at the date of this annual report, 15,182,600 A Shares have been granted to the participants of the Phase III Employee Stock Ownership Plan, please refer to the section "C. Further Information about our Directors, Supervisors and Substantial Shareholders — 4. Employee Stock Ownership Plans" in Appendix VII to the Prospectus for details.
2. According to the resolution passed by the Board on 28 March 2025, the 2024 Profit Distribution Plan will distribute a cash dividend of RMB1.60 (tax inclusive) per 10 Shares to all Shareholders based on the number of Shares eligible for distribution on the record date specified in the profit distribution implementation announcement for 2024. As at 28 March 2025, the total number of Shares of the Company is 1,869,563,378 Shares, based on which the total proposed cash dividend is RMB299,130,140.48. The proposal is subject to the consideration and approval at the 2024 AGM.
3. The Company listed on the Hong Kong Stock Exchange on 10 March 2025 and issued 205,652,000 H Shares. The total number of H Shares to be offered in the Global Offering is 205,652,000 (prior to the exercise of the over-allotment option), and the net proceeds to be received by the Company from the Global Offering, after deduction of the underwriting commissions and other estimated expenses in connection with the Global Offering and assuming the over-allotment option is not exercised, will be approximately HK\$2,676 million.
4. On 4 March 2024, the Group entered into an equity transfer agreement with China Investment (Property) Limited (中國投資(置業)有限公司) ("**China Investment**"), pursuant which Chixia Laos, a subsidiary of the Group, intends to acquire 90% of the equity interests in China Investment Mining (Laos) Sole Co. Sole Co., Ltd. (中國投資(老撾)礦業獨資有限公司) (the "**Target Company**") from China Investment for a total consideration of US\$18.9630 million in cash and in the form of a debt obligation. As at 31 December 2024, the Group's prepayment for the acquisition of the equity interests amounted to RMB68,570,147.60. As at the date of this annual report, the registration procedures of this transaction, including the transfer of the shareholdings in the Target Company and the change of company name, have been completed, and the parties to the transaction have confirmed in writing that the transaction has been completed and the Target Company has become a subsidiary within the scope of the Company's consolidated financial statements.

Save as disclosed above, there is no important event affecting the Group which occurred after the end of the Reporting Period to the date of this annual report.

By order of the Board  
Wang Jianhua  
Chairman and Executive Director  
Beijing, the PRC

# REPORT OF THE INDEPENDENT DIRECTORS

## 2024 WORK REPORT OF THE INDEPENDENT DIRECTORS OF CHIFENG JILONG GOLD MINING CO., LTD.

In 2024, the Independent Directors of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as “**Chifeng Gold**” or the “**Company**”) diligently and faithfully performed their duties in strict accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “**Securities Law**”), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Administrative Measures for Independent Directors of Listed Companies, as well as the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as the “**Articles of Association**”) and the Working Systems for Independent Directors of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as the “**Working Systems for Independent Directors**”). They made independent judgments on relevant matters of the Company, expressed objective opinions, fulfilled the role of Independent Directors, and safeguarded the overall interests of the Company and the legitimate rights and interests of all Shareholders.

The report on the performance of duties by the independent Directors for 2024 is as follows:

### I. Basic Information About Independent Directors

The eighth session of the Board of Directors of the Company comprises 9 directors, including 5 non-independent directors and 4 independent directors. The current independent directors include Dr. Mao Jingwen, Dr. Shen Zhengchang, Mr. Hu Nailian, and Dr. Wong Yet Ping Ambrose. Due to the completion of their six-year term, Ms. Li Yan and Mr. Guo Qingui resigned from their positions as independent directors of the Company during the Reporting Period. The biographies of the independent directors of the Company are as follows:

Dr. Mao Jingwen, born in December 1956, obtained a doctoral degree from the Graduate School of Chinese Academy of Geological Sciences. He is an academician of the Chinese Academy of Engineering. He has been serving as a researcher at the Institute of Mineral Resources under the Chinese Academy of Geological Sciences, director in the key laboratory of metallogeny and mineral assessment of the Ministry of Land and Resources and director in the Commission on Mineral Deposits of the Geological Society of China. Mr. Mao Jingwen has been engaged in the research on metallogenic processes, metallogenic regularities, mineral deposit models, and prospecting evaluation of metallic mineral deposits for a long time. As the chief scientist or project leader, he has undertaken major basic research projects under the National “973” Program, national scientific and technological mineral exploration projects, key fund projects from the National Natural Science Foundation of China, and geological survey projects from the China Geological Survey. He has been an Independent director of Chifeng Gold since January 2022.

Dr. Shen Zhengchang, born in June 1960, is an academician of the Chinese Academy of Engineering, the chief scientist of China Minmetals Corporation, and a doctoral tutor. He is mainly engaged in technical research, design, and engineering of selection and metallurgical process technology. He previously served as a senior engineer, director of the flotation division, and deputy chief engineer of BGRIMM Technology Group Company Limited. From August 2019 to November 2020, he was the chief expert of BGRIMM Technology Group Company Limited; since December 2020, he has been the chief scientist of BGRIMM Technology Group Company Limited; and Independent Director of Chifeng Gold since January 2022.

## REPORT OF THE INDEPENDENT DIRECTORS

Mr. Hu Nailian, born in April 1955, holds a graduate degree and is an expert in the National Science and Technology Expert Database, as well as a review expert for the Ministry of Education and Beijing Municipal Science and Technology Awards. He serves as the Deputy Director of the Professional Committee on Mining Informatization and Intelligence of the China Nonferrous Metals Society and is an editorial board member of the journal "Gold Science and Technology". He is primarily engaged in teaching and researching within the realm of mining systems engineering, mine informatization and intelligence mines, and mining technology economics and others. From 1996 to 2020, he served as the director of the Research Institute of Beijing University of Science and Technology, the head of the Department of Resource Engineering, the deputy dean of the School of Civil and Resource Engineering, a second grade professor at the School of Civil and Resource Engineering, and a doctoral supervisor. He has been an independent Director of Chifeng Gold since January 2022.

Dr. Wong Yet Ping Ambrose, born in 1979, holds a Doctorate in Business Administration from The Hong Kong Polytechnic University. He is a fellow member of the Hong Kong Institute of Certified Public Accountants (FCPA) and a member of CPA Australia, possessing extensive expertise and experience in finance, audit and risk management. He served as Vice President of Risk Management in the Commercial Banking Division of The Hongkong and Shanghai Banking Corporation Limited, Deputy Director of the Standard Setting Department of the Hong Kong Institute of Certified Public Accountants, Director of Quality and Risk Management for KPMG in China, and held a directorial position at a financial regulatory authority in Hong Kong, handling industry policies and regulatory affairs. He is currently the director of Link & Partners CPA Limited. Since August 2024, he has been an independent Director of Chifeng Gold.

Ms. Li Yan, born in April 1956, holds a doctoral degree in economics. She previously served as an assistant researcher at the Beijing Branch of Bank of China, deputy director of the Research Department of the Beijing Securities Market Research Design Center (Co-Office), head of the Finance Department at Business School of Renmin University of China, and secretary general of Puhui Financial Research Institute at Renmin University of China. She studied as a visiting scholar at the Sloan School of Management, Massachusetts Institute of Technology, and the Marshall School of Business, University of Southern California, and received training at Harvard University in the United States. Since 2014, she has served as a professor and a PhD tutor in the Finance Department at Business School of Renmin University of China, and the director of the Microfinance Research Center of Renmin University of China. From September 2018 to August 2024, she served as an independent Director of Chifeng Gold.

Mr. Guo Qingui, born in October 1972, holds a bachelor's degree, a master's degree in law, and an Executive Master of Business Administration (EMBA) degree, and is a qualified lawyer. He has served as a senior lawyer at Grandall Legal Group (Beijing Office), a senior lawyer at Zhong Lun Law Firm in Beijing, a senior lawyer and partner at King & Wood Mallesons in Beijing, and a senior partner at Zhong Xin Law Firm in Beijing. Since February 2019, he has been a lawyer at DeHeng Law Offices in Beijing. From September 2018 to August 2024, he served as an independent Director of Chifeng Gold.

## REPORT OF THE INDEPENDENT DIRECTORS

The eighth session of the Board of Directors of the Company has established four specialized committees, including the Strategy and Sustainability Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. Among them, the chairmen of the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee are all independent Directors, and independent Directors constitute the majority. The specific composition is as follows:

Name of Independent Directors	Strategy and Sustainability Committee	Audit Committee	Nomination Committee	Remuneration and Appraisal Committee
Mao Jingwen				Member
Shen Zhengchang			Member	Member
Hu Nailian		Member	Chairman	Chairman
Wong Yet Ping Ambrose	Member (appointed from August)	Chairman (appointed from August)	Member (appointed from August)	
Li Yan		Chairman (resigned in August)		
Guo Qingui		Member (resigned in August)	Member (resigned in August)	Chairman (resigned in August)

During the Reporting Period, the Company further revised and improved the “Working Systems for Independent Directors” and the working rules for various committees in accordance with the “Management Measures for Independent Directors of Listed Companies”, clarifying the responsibilities and positioning of independent Directors, independence requirements, nomination entities, appointment requirements, performance requirements, self-inspection mechanisms, and resignation requirements, as well as establishing special meetings for independent Directors to comprehensively ensure and enhance the independence and effectiveness of independent Directors’ performance.

During the Reporting Period, all independent Directors of the Company maintained an objective and independent judgment in the performance of their duties, holding no positions in the Company other than as members or chairmen of special committees of the Board. Neither they nor their immediate family members hold shares in the Company, and there are no relationships with the Company or its controlling shareholders. They have not been subject to any punishment by the CSRC or other relevant authorities, nor reprimanded by any stock exchanges, and there are no circumstances affecting the independence of the independent Directors, in compliance with the relevant independence requirements of the “Administrative Measures for Independent Directors of Listed Companies” and other laws and regulations.



# REPORT OF THE INDEPENDENT DIRECTORS

## II. PERFORMANCE OF DUTIES OF INDEPENDENT DIRECTORS ANNUALLY

### (I) Attendance of Meetings

#### 1. Attendance at the Shareholders' General Meetings

During the year, the Company held 2 general meetings, and all independent directors attended in person during their tenure.

#### 2. Attendance record of Directors at Board meetings

During the year, the Company held 9 Board meetings. All independent Directors attended the meetings in person during their tenure, with no instances of proxy attendance or absence from the meetings.

During the Reporting Period, the independent Directors did not raise any objections to the resolutions of the Board of Directors for the year or any other matters not submitted to the Board. Based on a thorough understanding of the content of the resolutions, they voted in favor of all resolutions put forward by the Board.

#### 3. Attendance at the meetings of the special committees.

During the Reporting Period, the independent Directors of the Company attended the meetings of the Board of Directors and special committees during their term, and seriously considered the proposals discussed at the meetings.

### (II) On-site inspection

During the Reporting Period, the independent Directors of the Company communicated face-to-face with the management during the shareholders' meetings and board meetings to understand the situations. They focused on inquiring about the Company's production and operation status, financial management, and the construction and implementation of internal control systems, as well as the implementation of board resolutions. Additionally, they maintained close contact with internal directors, senior management, the board secretary, and relevant staff through on-site work, telephone calls, emails, or video communication, paying constant attention to the impact of external environment and market changes on the Company, timely learning about the progress of major issues of the Company, and grasping the operational dynamics of the Company.

### (III) Compliance of Listed Companies

When independent Directors of the Company exercise their powers during their term, relevant personnel of the listed company shall actively cooperate, shall not refuse, obstruct or conceal, and shall not interfere with their independent exercise of powers. The listed company has provided the necessary working conditions for independent directors, ensuring that they enjoy the same right to information as other directors. For any matters that require decision by the Board of Directors, independent Directors are notified in advance within the legally prescribed time and provided with sufficient information.

# REPORT OF THE INDEPENDENT DIRECTORS

## III. KEY ISSUES FOR INDEPENDENT DIRECTORS IN THE PERFORMANCE OF DUTIES FOR THE YEAR

### (I) Related Transaction Information

During the Reporting Period, the Company did not engage in any significant related transactions.

### (II) Equity Incentive and Employee Stock Ownership Plan

On 29 March 2024, the Company convened the 26th meeting of the eighth session of the Board of Directors, where it considered and approved the “Resolution on Cancellation of Stock Appreciation Rights under the 2022 Stock Appreciation Rights Incentive Plan”, agreeing to cancel a total of 1.8 million stock appreciation rights that have been granted but not yet exercised by 7 incentive participants who failed to meet the assessment targets during the two accounting years of 2022-2023 within the two exercise periods.

On 30 December 2024, the Company convened the 33rd meeting of the eighth session of the Board of Directors, where it considered and approved the “Resolution on the Phase III Employee Stock Ownership Plan (Draft) of Chifeng Jilong Gold Mining Co., Ltd. and its Summary” and the “Resolution on the Administrative Measures for the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.”, among other resolutions, and agreed to implement the Phase III Employee Stock Ownership Plan of the Company, with the Board authorized by the general meeting to handle relevant matters.

### (III) Nomination and remuneration of senior management

During the Reporting Period, there was no change in the senior management of the Company.

The remuneration of the senior management of the Company for 2024 was in line with the current actual situation of the Company and strictly complied with the requirements of the relevant laws, regulations, and internal system.

### (IV) Appointment or Change of Accounting Firm

At the 26th meeting of the eighth session of the Board of the Directors of the Company and the 2023 annual general meeting, it was agreed to appoint Ernst & Young Hua Ming LLP as the auditor for the Company’s financial statements and internal control for the year 2024, with a term of one year. During the Reporting Period, the Company did not change the accounting firm for its annual report audit work.

During the Reporting Period, in order to complete the issuance and listing of H Shares, the Company approved the appointment of Ernst & Young as the auditing firm for the issuance and listing of H Shares at the 28th meeting of the eighth session of the Board of the Directors of the Company and the first extraordinary general meeting in 2025.

# REPORT OF THE INDEPENDENT DIRECTORS

## (V) Cash Dividends and Other Returns to Shareholders

During the Reporting Period, the Company implemented the profit distribution plan for 2023 in accordance with relevant laws and regulations and the provisions of the Articles of Association, distributing dividends to all shareholders entitled to participate in the distribution based on the equity registration date of 28 May 2024, namely a cash dividend of HK\$0.5 (tax inclusive) for every 10 shares. The Company would not distribute bonus shares or convert capital reserves into share capital for the year 2023. The profit distribution plan of the Company for 2023 has been considered and approved by the general meeting, and a performance briefing was held to explain the formulation of the profit distribution plan.

## (VI) Performance of Undertakings by the Company and Shareholders

The Company has disclosed the commitments made by the Company and its shareholders that remain in effect until the end of the reporting period in its annual report and interim report.

Upon verification, there were no violations of commitments by the Company and its Shareholders during the Reporting Period.

## (VII) Implementation of Information Disclosure

In 2024, the Board of Directors was able to strictly abide by the relevant laws, regulations and other normative documents, including the Company Law, the Securities Law, the Administrative Measures for Information Disclosure of Listed Companies, and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, as well as the Articles of Association. Information disclosure was conducted based on the principles of truthfulness, accuracy, timeliness, completeness, and fairness to ensure the correct fulfillment of information disclosure obligations and to protect the legitimate rights and interests of the Company and its shareholders, creditors, and other stakeholders.

## (VIII) Implementation of Internal Control

The Company has basically established a complete internal control system, which was effectively implemented to ensure the healthy operation of all business activities and the enforcement of relevant state laws and regulations as well as the internal rules of the Company, thereby facilitating the truthfulness, accuracy, and completeness of the Company's financial reports and related accounting information, as well as the achievement of the Company's operational management objectives.

## (IX) Operation of the Board and its special committees

### 1. Operation of the Board of Directors

As at the end of 2024, the Board of the Directors of the Company consisted of 9 members, including five non-independent Directors, namely Mr. Wang Jianhua, Ms. Yang Yi-fang, Mr. Lyu Xiaozhao, Mr. Gao Bo, and Mr. Zhang Xudong, and four independent Directors, namely Dr. Mao Jingwen, Dr. Shen Zhengchang, Mr. Hu Nailian, and Dr. Wong Yet Ping Ambrose. During the Reporting Period, independent directors Ms. Li Yan and Mr. Guo Qingui resigned, and Dr. Wong Yet Ping Ambrose took office from August 2024.

## REPORT OF THE INDEPENDENT DIRECTORS

During the year, the Board of Directors of the Company convened 9 meetings, and all directors attended in person during their terms of office. The convening of the meetings was in compliance with the relevant provisions of the Company Law and the Articles of Association. In 2024, the Board of Directors of the Company was able to strictly comply with national laws, regulations, and the provisions of the Articles of Association, diligently and faithfully performing its various duties and better accomplishing all tasks.

### 2. *Operation of the specialized committees*

The Board of Directors of the Company has established four specialized committees: the Strategy and Sustainability Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. In 2024, the specialized committees of the Board actively carried out their work, and the independent Directors conscientiously fulfilled their duties, playing a positive role in the standardized operation of the Company and the scientific decision-making of the Board.

During the Reporting Period, the independent Directors of the Company actively participated in special meetings for them. In accordance with the requirements of the Administrative Measures for Independent Directors of Listed Companies, they focused on supervising related transactions that should be disclosed by the Company, paying particular attention to whether the related transactions conform to business practices, whether the pricing is fair, and whether the decision-making procedures comply with relevant laws and regulations, thereby genuinely safeguarding the interests of the listed company and minority shareholders.

During the Reporting Period, the specialized committees of the Board of Directors held a total of 11 meetings, including 2 meetings of the Strategy and Sustainability Committee, 5 meetings of the Audit Committee, 1 meeting of the Nomination Committee, and 3 meetings of the Remuneration and Appraisal Committee. The independent Directors of the Company convened or attended relevant meetings in accordance with the procedural rules of the specialized committees of the Board of Directors and the relevant requirements of the “Management Measures for Independent Directors of Listed Companies,” carefully discussed the meeting documents, and provided professional opinions and advice for the scientific decision-making of the Board.

### 3. *Special Meeting of Independent Directors*

During the Reporting Period, the independent Directors of the Company convened a special meeting to consider the resolution in relation to the issuance of H Shares by the Company and listing on The Stock Exchange of Hong Kong Limited.

## REPORT OF THE INDEPENDENT DIRECTORS

### IV. Overall Evaluation and Recommendations

All independent Directors of the Company strictly complied with the relevant regulations such as the Company Law, the Guidelines for Corporate Governance of Listed Companies, the Administrative Measures for Independent Directors, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and the Articles of Association. They performed their duties with integrity, diligence, and responsibility based on the principles of objectivity, fairness, and independence, providing opinions and suggestions on the Company's operational decisions and standardized operations to ensure scientific decision-making and regulated operations by the Board. All independent Directors are able to maintain their learning of relevant laws and regulations, continuously enhance their awareness of protecting the interests of public shareholders, effectively supervise the actions of controlling shareholders, and safeguard the overall interests of the Company, especially the legitimate rights and interests of minority shareholders.

In 2025, all independent Directors of the Company will continue to perform their duties as independent Directors in accordance with laws and regulations, maintain their roles in communication and supervision, and ensure the expression of objective and impartial independent opinions. They will continue to uphold the rights and interests of Shareholders, especially minority Shareholders. They will continue to strive to conduct in-depth investigations and research at the grassroots level of the Company, providing suggestions that align with the findings and the actual development of the Company. They will continue to leverage their professional capabilities, adhere to professional ethics, diligently fulfill their responsibilities as independent Directors, and contribute to the standardized, stable, and high-quality sustainable development of the Company.

Chifeng Jilong Gold Mining Co., Ltd.  
Independent Directors: Mao Jingwen,  
Shen Zhengchang,  
Hu Nailian,  
Wong Yet Ping Ambrose

28 March 2025



# REPORT OF THE SUPERVISORY COMMITTEE

In 2024, the Supervisory Committee of Chifeng Jilong Gold Mining Co., Ltd. (hereinafter referred to as the "Company"), with the support and cooperation of the Board of Directors and management of the Company, conscientiously performed the duties and powers granted by relevant laws and regulations in strict accordance with the Company Law, the Securities Law, and the provisions of the Articles of Association, with an attitude of being responsible to all shareholders, and actively and effectively carried out its work. During the Reporting Period, the Supervisory Committee effectively supervised the Company's business activities, financial condition, major decisions, related party transactions, implementation of internal controls, and the performance of duties by directors and senior management, thereby promoting an improvement in the Company's standardized operation level. The work report of the Supervisory Committee of the Company for 2024 is as follows:

## I. COMPOSITION OF THE SUPERVISORY COMMITTEE

As of the end of 2024, the Supervisory Committee of the Company comprises three Supervisors, namely Mr. Cheng Zhenlong and Mr. Ji Hongyong as non-employee Supervisors, and Mr. Liu Fengwu as an employee Supervisor, with Mr. Cheng Zhenlong serving as the Chairman of the seventh session of Supervisory Committee.

## II. MEETING OF THE SUPERVISORY COMMITTEE

According to the authority conferred by the Articles of Association, the Supervisory Committee convenes meetings of the Supervisory Committee, conscientiously discharges its duties with a sense of responsibility to the shareholders, supervises and inspects the performance of the directors and senior management, as well as the legality and compliance of the Company's financial matters, thereby fully safeguarding the legitimate rights and interests of the Company and its shareholders.

During 2024, the Company held 9 meetings of the Supervisory Committee, all of which complied with the relevant provisions of the Company Law of the People's Republic of China (中華人民共和國公司法) and the Articles of Association. The meeting situation is as follows:

1. On 23 February 2024, the Company held the 16th meeting of the seventh session of the Supervisory Committee, at which the Resolution on the Use of Partial Idle Proceeds as Temporary Liquid Funds was considered and approved.
2. On 29 March 2024, the Company convened the 17th meeting of the seventh session of the Supervisory Committee, at which the following resolutions were considered and approved:

Resolution 1: Report of the Supervisory Committee for the Year 2023;

Resolution 2: 2023 Financial Accounts Report;

Resolution 3: Financial Budget Proposal for 2024;

Resolution 4: The Profit Distribution Plan for 2023;

Resolution 5: The Report of Internal Control Evaluation for 2023;

## REPORT OF THE SUPERVISORY COMMITTEE

Resolution 6: The Special Report on the Deposit and Actual Use of Proceeds Raised in 2023;

Resolution 7: The 2023 Annual Report and its Summary;

Resolution 8: Resolution on the Cancellation of Share Appreciation Rights under the 2022 Share Appreciation Rights Incentive Scheme;

Resolution 9: Resolution on the Use of Partial Idle Self-owned Funds for Cash Management.

3. On 29 April 2024, the Company convened the 18th meeting of the seventh session of the Supervisory Committee, at which the First Quarterly Report of 2024 was considered and approved.
4. On 7 June 2024, the Company convened the 19th meeting of the seventh session of the Supervisory Committee, at which the following resolutions were considered and approved:

Resolution 1: Resolution on the Issuance of H Shares by the Company and Listing on The Stock Exchange of Hong Kong Limited;

Resolution 2: Resolution on the Issuance of H Shares by the Company and Listing on The Stock Exchange of Hong Kong Limited;

Resolution 3: Resolution on the Conversion of the Company into a Foreign Funded Company Limited by Share;

Resolution 4: Resolution on the Validity Period of the Company's Issuance and Listing of H Shares.

Resolution 5: Resolution on the Plan for the Use of Proceeds from the Issuance of H Shares by the Company;

Resolution 6: Resolution in relation to the Report on the Use of Proceeds from the Previous Fund Raising Activities.

Resolution 7: Resolution on the Distribution Plan of Accumulated Profits Before the Issuance of H Shares by the Company;

Resolution 8: Resolution on the Appointment of the Auditor for the Company's H Share Issuance and Listing.

5. On 7 August 2024, the Company convened the 20th meeting of the seventh session of the Supervisory Committee, at which the resolution regarding the amendments to the Rules of Procedure for the Supervisory Committee of Chifeng Jilong Gold Mining Co., Ltd. (Draft) effective after the issuance and listing of H Shares was considered and approved.

## REPORT OF THE SUPERVISORY COMMITTEE

6. On 30 August 2024, the Company convened the 21st meeting of the seventh session of the Supervisory Committee, at which the following resolutions were considered and approved:

Resolution 1: The 2024 Interim Report and its Summary;

Resolution 2: Special Report on the Deposit and Actual Use of Proceeds Raised for the Half Year 2024.

7. On 6 September 2024, the Company convened the 22nd meeting of the seventh session of the Supervisory Committee, at which the Resolution on the Extension of Projects for Investment of Certain Proceeds was considered and approved.

8. On 30 October 2024, the Company convened the 23rd meeting of the seventh session of the Supervisory Committee, at which the Third Quarterly Report for 2024 was considered and approved.

9. On 30 December 2024, the Company convened the 24th meeting of the seventh session of the Supervisory Committee, at which the following resolutions were considered and approved:

Resolution 1: Resolution on the Closing of Investment Projects Utilizing Proceeds and the Use of Remaining Proceeds Raised for Permanently Supplementing Working Capital and Cancellation of Special Accounts;

Resolution 2: Resolution on the Draft and Summary of Phase III ESOP of Chifeng Jilong Gold Mining Co., Ltd.

Resolution 3: Resolution on the Management Measures for Phase III ESOP of Chifeng Jilong Gold Mining Co., Ltd.



# REPORT OF THE SUPERVISORY COMMITTEE

## III. OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS FOR 2024

### 1. The operation of the Company according to law

During the Reporting Period, the Supervisory Committee, in accordance with relevant national laws, regulations, and the Articles of Association and Rules of Procedure for the Supervisory Committee, and with a spirit of accountability to the Company and all Shareholders, strictly supervised the decision-making processes of the Company and the performance of duties by the Directors and senior management. The Supervisory Committee attended the annual general meeting held by the Company in 2023 and the first extraordinary general meeting in 2024.

The Supervisory Committee considered that during the Reporting Period, the shareholders' general meetings and Board meetings convened by the Company complied with the requirements of the Company Law, the Securities Law, the Articles of Association and other relevant laws, regulations and regulatory documents, with decision-making procedures being legal and effective. A sound internal control mechanism has been established, and all systems have been effectively implemented to prevent operational management risks, ensuring the normal conduct of the Company's business activities. The directors and senior management of the Company have performed their duties diligently and in accordance with the law, with no violations of laws and regulations, the Articles of Association, or actions that could harm the interests of the Company or infringe upon the interests of shareholders.

### 2. Company finance

During the Reporting Period, the Supervisory Committee conducted serious, detailed, and effective supervision, inspection, and review of the Company's financial condition, periodic financial reports, financial information, and the implementation of various financial systems, and supervised the Company's annual audit work.

The Supervisory Committee considered that the Company has a sound financial system, a complete internal control system, and standardized financial operations. The Company's 2024 annual regular report was prepared in strict accordance with the relevant provisions of the Accounting System for Business Enterprises and the Accounting Standards for Business Enterprises, and the content and format of the regular report comply with the various requirements of the CSRC and the Shanghai Stock Exchange; it can truthfully, accurately, and fairly reflect the Company's current financial condition and operating results, and no violations of confidentiality regulations were found among the personnel involved in the preparation and review of the annual report.

# REPORT OF THE SUPERVISORY COMMITTEE

## 3. Use and Management of Proceeds

The Supervisory Committee inspected the use and management of the proceeds raised by the Company during the Reporting Period, focusing on the legality and compliance of the fund allocation. It believes that the Company has strictly adhered to the provisions of relevant laws and regulations, including the "Guidelines for the Supervision of Listed Companies No. 2-Regulatory Requirements for the Management and Use of Proceeds by Listed Companies 《上市公司監管指引第 2 號——上市公司募集資金管理和使用的監管要求》" and the "Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standard Operation 《上海證券交易所上市公司自律監管指引第 1 號——規範運作》" in managing and utilizing the proceeds. There are no circumstances involving disguised changes in the use of proceeds or significant harm to the interests of shareholders, nor any violations in the use of proceeds.

## 4. Related Transactions of the Company

During the Reporting Period, the Company had no material related transactions. The daily related transactions are strictly implemented in accordance with the rules and agreements of related transactions. The decision-making of the related transactions is strict, the procedures are standardized and legal, the transaction processes are just and equitable, the outcomes of the transactions are fair, and no insider dealing or circumstances that would prejudice the interests of the Shareholders and the Company have been found.

## 5. Company equity incentive and employee share ownership plan

During the Reporting Period, the Company formulated the Phase III Employee Stock Ownership Plan (Draft) and its Management Measures. The Supervisory Committee considered these matters and were of the opinion that the current Employee Stock Ownership Plan is beneficial for improving the Company's long-term and effective incentive and restraint mechanism, effectively motivating the enthusiasm of managers and employees, attracting and retaining outstanding management talents and key personnel, and is conducive to the Company's long-term, sustained, and healthy development. There are no violations of relevant laws and regulations, nor any circumstances that would harm the interests of the Company and all Shareholders.

## 6. Internal Control of the Company

During the Reporting Period, the Supervisory Committee reviewed the internal control evaluation report and the establishment and implementation of the internal management system of the Company. The Supervisory Committee were of the opinion that, in accordance with the relevant regulations of the CSRC and the Shanghai Stock Exchange, the Company has established an internal control system that can effectively cover the Company's various financial and operational management activities, following the basic principles of internal control and taking into account its own industry characteristics and actual operational situation. The execution and supervision of key internal control activities are effective, and there are no significant internal control deficiencies.



## REPORT OF THE SUPERVISORY COMMITTEE

### 7. Establishment and implementation of the insider information management system

The Supervisory Committee supervised the Company's implementation of the Measures on Registration of Insiders during the Reporting Period. The Supervisory Committee were of the opinion that the Company has formulated the policy on registration of insider, strictly implemented the relevant laws and regulations as well as the Company's insider information management system, standardized the information transmission process, and timely registered the relevant insiders. The Company's directors, supervisors, senior management, and other relevant insiders have strictly complied with the insider information management system, and no violations of insider trading by relevant personnel utilizing insider information have been found.

Chifeng Jilong Gold Mining Co., Ltd.

Supervisors: Cheng Zhenlong

Ji Hongyong

Liu Fengwu

28 March 2025

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

## I. ENVIRONMENTAL INFORMATION

Whether relevant mechanisms for environmental protection have been established	Yes
Investment in environmental protection during the Reporting Period (unit: RMB'0,000)	15,907.63

(II) Environmental protection conditions of companies and their principal subsidiaries classified as the key pollutant Discharge units announced by the Environmental Protection Department

Jilong Mining, a wholly-owned subsidiary of the Company, is classified as a key unit of environmental supervision in 2024 announced by the Ecological Environment Bureau of Inner Mongolia Autonomous Region and Ecological Environment Bureau of Chifeng, under the category of “soil environment and environmental risk”; Huatai Mining is classified as a key unit of environmental supervision in2023 announced by the Ecological Environment Bureau of Inner Mongolia Autonomous Region and Ecological Environment Bureau of Chifeng, under the category of “soil environment and environmental risk”; the original processing plant of Wolong Mining (discontinued) is classified as a key unit of environmental supervision in 2023 announced by the Ecological Environment Bureau of Dandong City, Liaoning Province, under the category of “soil environment”; and Dongfeng Mine and Lishan Mine of Hanfeng Mining are classified as key pollutant discharge units in 2022 announced by the Ecological Environment Department of Jilin Province, both under the category of “soil environment.”

1. Pollutant discharge information
- (1) Jilong Mining

① Exhaust gas: The main pollutant is particulate matter (PM), primarily discharged through organized discharges from the crushing workshop and screening workshop, and unorganized dust from the tailings storage facilities; there are 2 organized discharge ports. Particulate matter from the crushing and screening workshops is collected by bag filter and discharged in compliance with the discharge standard specified in Table 2 of the Integrated Emission Standards of Air Pollutants (GB 16297-1996), with an annual discharge volume of 1.35t; the monitoring results of unorganized particulate matter meet the restriction requirements specified in Table 2 of the Integrated Emission Standards of Air Pollutants (GB 16297-1996);

② Wastewater: All the mineral processing wastewater of this unit is reused without being discharged;

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

- ③ Solid waste: It is mainly cyanide-containing tailings, with cyanide as the characteristic pollutant, and the cyanide content meets the requirements of the Technical Specification for Pollution Control of Cyanide Leaching Residue in Gold Industry (HJ 493-2018) <5mg/L;
- ④ Noise: It complies with the Class 2 standard limit specified in the Environmental Quality Standard for Noise (GB 3096-2008).

### (2) Huatai Mining

During the Reporting Period, Huatai Mining was in a state of technological transformation, with no discharge of exhaust gas, wastewater or solid waste.

- (3) The original processing plant of Wulong Mining has been discontinued. The original processing plant has conducted inspection of potential soil pollution hazards and self-monitoring of soil and groundwater on schedule in accordance with national and local pollutant discharge standards, and has carried out daily monitoring and recording of pollutants.

### (4) Dongfeng Mine and Lishan Mine of Hanfeng Mining

- ① Exhaust gas: It mainly includes the exhaust gas generated by the dust collector in the crushing workshop of the processing plant, with a dust removal efficiency of 98%, meeting the relevant domestic discharge standards; It implements the Emission Standard of Pollutants for Lead and Zinc Industry (GB25466-2010), with a total approved discharge volume of 1,519.65kg/a;
- ② Wastewater: It mainly includes mining (mine) wastewater and processing wastewater. The mine wastewater is discharged to the well and then directed into a special reservoir to supplement processing water. The processing wastewater is directed into the tailings storage facility for sedimentation and then recycled to the processing plant without being discharge;

**Soil** The soil monitoring factors at the original processing plant include 9 items, of which 7 items were detected. None of the detected factors

- The soil monitoring factors at the original processing plant include 9 items, of which 7 items were detected. None of the detected factors exceeded the construction land standard limit of Class II specified in the Soil Environmental Quality - Risk Control Standard for Soil Contamination of Construction Land

	Soil	The soil monitoring factors at the original processing plant include 9 items, of which 7 items were detected. None of the detected factors exceeded the construction land standard limit of Class II specified in the Soil Environmental Quality – Risk Control Standard for Soil Contamination of Construction Land (for Trial Implementation) (GB36600-2018).								
	Groundwater	The groundwater monitoring factors include 16 items, of which 4 items were detected. None of the detected factors exceeded the water standard limit of Class III specified in the Groundwater Quality Standard (GB/T14848-2017).								
Hanfeng Mining	Exhaust gas	PM	9.6 mg/m³ – 12.2mg/m³	1.473	1,519.65kg/a	Organized discharge after meeting the standard	2	Crushing workshop of processing plant	nil	The Emission Standard of Pollutants for Lead and Zinc Industry (GB25466-2010)
	Wastewater	No wastewater discharge								

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

### 2. *Construction and operation of pollution prevention and control facilities*

- (1) According to the Environmental Protection Law, the Green Mine Management Measures and the actual situation of the Company, Jilong Mining strictly implements the requirements of ecological protection measures and pollution prevention and control measures proposed in the environmental impact assessment during the project implementation process. All pollutants are discharged after reaching the standards, resulting in minimal impact on the ecological environment.
  - ① Bag filters have been installed in the crushing workshop and screening workshop, with regular maintenance and replacement of bags to ensure that organized particulate matter is discharged in compliance with the standard;
  - ② The tailings storage facilities and stockyard are covered with wind-proof and dust-suppression net for unorganized dust emission;
  - ③ The tailing storage facilities adopts a composite geo-membrane for overall seepage prevention, with accumulated part covered with soil for greening. A leachate collection tank and an accident pool are constructed downstream. The leachate can be collected through drainage ditches around the reservoir area to the collection pool under the dam, and then sent to the processing plant for reuse. (The tailings storage facilities of this unit is a dry discharge reservoir, and basically does not produce tailings leachate);
  - ④ The hazardous waste storage room is equipped with a cofferdam, and the ground is constructed with a composite geo-membrane for overall seepage prevention.
- (2) Huatai Mining has continuously increased its investment and governance in environmental protection, enhancing the prevention and control of unorganized dust in mining (factory) areas and tailings storage facilities. It strengthened the management of loading and unloading, stacking, and transportation of ores and materials. Through the construction of supporting spraying devices, the installation of dust-proof nets in tailings storage facilities, and the planting of vegetation, it continuously improved the working environment. The main pollutants met the discharge standards without exceeding the limits.



## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

- (3) Wulong Mining operates and maintains pollution prevention and control facilities in accordance with ecological and environmental management requirements, ensuring that the environmental protection facilities operate synchronously with production facilities. Non-industrial production wastewater, dust and processing production water are fully reused. Tailings classified as general solid waste and hazardous waste are disposed of in compliance with laws and regulations in accordance with the requirements of the local ecological and environmental authorities and the environmental impact assessment reports. Wulong Mining has completed the construction and upgrades of environmental protection facilities and equipment, land reclamation for environmental management, maintenance of green plants in mining areas, and ecological and environmental restoration in subsidence areas.
  - (4) The pollution prevention and control facilities of Hanfeng Mining mainly include dust collectors of the processing plant, water spraying and dust reduction facilities of the processing plant, treatment facilities for unorganized discharge of exhaust gas (sprinkler vehicles), and wastewater recycling facilities in the tailings storage facilities (including reservoirs, interceptor ditches, special pipelines, intercepting dams, etc.).
3. *Environmental impact assessment of construction projects and other environmental protection administrative permits*
- (1) The mining and processing project of 400t/d gold ore in Jilong Mining obtained the environmental impact assessment approval from the Environmental Protection Bureau of Chifeng on 30 January 2008 (approval document number: CHSZ 2008 No. 53) and passed the acceptance of the Environmental Protection Bureau of Chifeng on 10 September 2011 (approval document number: CHF 2011 No. 236); the processing expansion project of an annual additional 180,000t of gold ore in Jilong Mining's Zhuanshanzi Gold Mine obtained the environmental impact assessment approval from the Ecology and Environment Bureau of Chifeng on 18 April 2023 (approval document number: CHSZ 2023 No. 31) and passed the expert review acceptance on 21 November 2024.
  - (2) The pollutant discharge permit of Huatai Company was changed from simplified management to registration management on 6 January 2021.

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

- (3) The new renovation and expansion project of Wulong Mining is strictly in accordance with the requirements of relevant regulations. The original processing plant has been discontinued, and the environmental impact assessment procedure for the 3,000t/d processing plant is currently being processed in accordance with the law.
- (4) The expansion project of the Lishan processing plant of Hanfeng Mining of 660,000t/y was prepared the environmental impact assessment report in June 2024. The project obtained the environmental impact assessment approval from the Ecological Environment Department of Jilin Province on 28 June 2024 (approval document number: JHSZ (2024) No. 38).

### 4. *Emergency response for environmental contingencies*

Jilong Mining, Huatai Mining, Wulong Mining and Hanfeng Mining have conducted environmental risk assessment and environmental emergency resource investigation in accordance with relevant national regulations. Based on production processes, pollutant generation aspects, and environmental risks, they have prepared various Emergency Response for Environmental Contingencies and filed them with the local ecological environment authorities. Each company has revised and reviewed the contingencies from time to time based on on-site operations, established an emergency headquarters for environmental contingencies, equipped with corresponding emergency facilities and material reserves, and conducted emergency drills every year according to the emergency drill plan so as to effectively enhance their ability to prevent and deal with environmental contingencies and reduce environmental risks.

### 5. *Environmental self-monitoring plan*

Jilong Mining, Huatai Mining, Wulong Mining, and Hanfeng Mining have formulated environmental self-monitoring plan in accordance with regulations, regularly organizing and conducting self-monitoring work. They have also entrusted qualified testing institutions to monitor the pollutant discharge concentration and environmental quality, and issued relevant monitoring reports, all of which met the standard. Additionally, the original monitoring records were kept as required and uploaded to the national platform in a timely manner.

### 6. *Administrative penalties due to environmental issues during the Reporting Period.*

☐ Applicable    ☒ Not Applicable

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

### 7. *Other environmental information that should be disclosed*

Guangyuan Technology, a holding subsidiary of the Company, is engaged in the dismantling of waste electrical and electronic products. It is the only enterprise in Hefei with the qualification for processing waste electrical and electronic products, classified as a key monitoring enterprise for hazardous waste. Currently, lead-containing glass and circuit boards generated during the production process are mainly entrusted to the units with hazardous waste operation permits for utilization or disposal by Guangyuan Technology. According to the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes and the Guidelines for Qualification Review and Permission of Enterprises for Disposal of Waste Electrical and Electronic Products (Announcement No. 90 of the Ministry of Environmental Protection in 2010), the transfer of hazardous waste generated during the dismantling process of waste electrical and electronic products is mainly implemented through the hazardous waste transfer manifest system, and filed the hazardous waste management plan in the Solid Waste Management Information System of Anhui Province every year. Before transferring hazardous waste, both parties involved in inter-provincial transfer must complete the hazardous waste transfer procedures and may proceed only after receiving the approval letter from both environmental protection departments; for transfers within the province, both parties must complete the filing procedures in the Solid Waste Management Information System of Anhui Province before proceeding.

Guangyuan Technology's "Waste Electrical and Electronic Products Treatment and Recycling Project" was approved by the Hefei Environmental Protection Bureau for the Environmental Impact Report on the Waste Electrical and Electronic Products Recycling and Treatment Project of Anhui Guangyuan Technology Development Co., Ltd. (HJS 2016 No. 101) on 8 September 2016, and passed the acceptance of the environmental protection acceptance working group for phased completion of the project in November 2018.

The project of hazardous waste collection, storage and transshipment of small and micro businesses of Guangyuan Technology was put on record in Feidong County Development and Reform Commission on 5 July 2021, obtained the environmental impact assessment approval from the Hefei Ecological Environment Bureau (HJS 2021 No. 1049) on 1 September 2021, and received the hazardous waste operation permit issued by the Hefei Ecological Environment Bureau on 28 January 2022. All the supporting pollution prevention facilities of the project were implemented as required, and the relevant hazardous waste management systems were established and improved. The environmental protection acceptance of the project was completed in August 2022.

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

### (II) Environmental protection of companies other than key pollutant discharge units

#### 1. *Disclosure of other environmental information by reference to key pollutant discharge units*

Jintai Mining, a subsidiary of the Company, is not a key management unit announced by the Environmental Protection Department, but is classified as a registered management unit. During the Reporting Period, Jintai Mining strictly complied with ecological and environmental protection laws and regulations as well as various policies, achieving the 'three simultaneous' implementation of all environmental protection facilities in conjunction with the construction of the main project. The preparation and filing of the Company's Emergency response for environmental contingencies was completed in April 2024, and the preparation and acceptance of the inspection report for the environmental protection facilities of the completion of the first phase of the construction project was completed in May 2024. Currently, various environmental protection facilities operate normally, and there is no pollution or impact on the surrounding environment.

Air pollution prevention and control: The pollutants generated by the Company during the production process are mainly particulate matter, which come from organized emission from the crushing workshop and unorganized dust emission from the mining site, stockyard, and temporary stockyard of raw ores. The organized emissions generated in the crushing workshop meet the emission standards after being treated with efficient bag filters and pulse processing, and are discharged through a 15-meter-high exhaust stack. The unorganized emissions from the mining site, stockyard, and temporary stockyard of raw ores are controlled by using sprinkler vehicles to spray water and setting up mobile fog cannon machines to spray mist for dust reduction. At the same time, a large number of flowers and trees are planted along the ore transportation roads and within the mining area to significantly reduce dust generation. The oil fumes from the canteen are discharged after purification by an oil fume purifier.

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

Water pollution prevention and control: The Company does not generate production wastewater during the production process and has no discharge of production wastewater. The leachate from the waste dump is collected and precipitated by the collection tank, and then used as supplementary water for heap leaching without being discharged. The laboratory wastewater is neutralized and the supernatant is reused for heap leaching. The canteen wastewater in the domestic sewage is pretreated in an oil separation tank and then mixed with other domestic sewage pretreated in a septic tank to enter an integrated sewage treatment station. The effluent that meets standards is used for greening or dust reduction in the project area. The lean liquid and heap leaching residue washing wastewater after adsorption gold extraction are all recycled without being discharged. Rainwater dripping liquid of the heap leach yard enters the liquid collecting tank and is used as process water for leaching without being discharged.

Soil pollution prevention and control: The main factor affecting soil pollution during the production process of the Company is the leakage from the bottom liner of the stockyard. To this end, the Company adopts a composite bottom liner consisting of 4800g sodium-based bentonite geosynthetic clay liner (GCL) and a 2mm thick HDPE geo-membrane layer, with a permeability coefficient of  $\leq 1 \times 10^{-10}$  cm/s, as the main anti-seepage structure to prevent the impact on groundwater and soil environments. A rainstorm flood control pool of 25,600m<sup>3</sup>, which also serves as an emergency pool, has been set up in the heap leach field. Additionally, 7 monitoring wells have been installed around the yard for monitoring.

Noise pollution prevention and control: There are no noise sensitive points or protection targets within 200 meters around the Company, and no noise pollution occurs. Noise prevention and control mainly employs low-noise equipment and installation of vibration damping and anti-vibration devices, with the crushing workshop and conveyor belts undergoing enclosed noise reduction, requiring transportation vehicles and engineering machinery to minimize noise pollution during operations.





## ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

### (III) Relevant information that is conducive to ecological protection, pollution prevention, and the fulfilment of environmental responsibility

#### 1. *Environmental management system*

According to the principles of responsible gold mining of “impact assessment” and “managing environmental impact” and the United Nations’ sustainable development goals of “sustainable cities and communities” and “responsible consumption and production”, the Company has established a sound environmental management system, constructed a sound organizational structure for environmental management, set up and implemented environmental protection plans and objectives, focused on monitoring and controlling the impact of production activities on the environment, and continuously solved management omissions found in production and operation. This year, the Company did not have any major environmental pollution incidents.

In the mining and production activities, the Company actively undertakes environmental protection responsibilities and strives to avoid the occurrence of environmental pollution. We assess the environmental impact of our development activities, particularly strengthen monitoring in areas designated as national ecological conservation redlines, regularly conduct safety inspections to eliminate pollution risks, accept supervision from third parties and local environmental protection departments, carry out self-monitoring and proactively report, and actively manage and reduce negative environmental impact on surrounding communities.

#### 2. *Prudent use of natural resources*

Taking efficient use of natural resources as the management principle, the Company adheres to the United Nations’ sustainable development principle of “responsible consumption and production”, and follows the principles of responsible gold mining under the topics of “cyanide and harmful materials”, “mercury”, “water resources utilization”, “water resources acquisition and quality”, and “energy efficiency and reporting”. The Company is committed to practicing the principle of circular economy and minimizing the consumption of natural resources through innovative technology and scientific management means.

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

The Company has formulated and implemented a series of water resources, energy, and material management strategies, with energy conservation, cost reduction, and efficiency enhancement as the development goals at the group level. Driven by institutional and technological innovation, it continuously adjusts the resource utilization structure and eliminates backward production capacity, steadfastly advancing towards a path of green and sustainable development.

3. *Pursuing zero-emission and renewable alternatives*

The Company has taken a series of effective measures to ensure that emissions and pollutants are effectively controlled, managed and disposed of, and is committed to creating a cleaner and healthier working and living environment. This year, the Company improved the emission management system at various mining areas and conducted special management and supervision of mining areas that require special maintenance.

(IV) **Measures taken to reduce its carbon emissions and their effects during the Reporting Period**

Whether carbon reduction measures are taken	Yes
Reduction in carbon dioxide equivalent emissions (unit: tonnes)	1,176
Types of carbon reduction measures (such as using clean energy for power generation, applying carbon reduction technologies in the production process, developing and producing new products that contribute to carbon reduction, etc.)	Energy-saving and emission-reduction technologies, clean electricity, and energy use

The Company has made simultaneous efforts in energy-saving and emission-reduction technologies as well as clean electricity and energy use to alleviate the pressure and impact of production and operating activities on the climate. The Company selects energy-saving and environment-friendly equipment for all newly constructed processing plant areas and gradually replaces high-energy-consuming equipment in old operating sites. We actively respond to the call of the state, take the initiative to increase the proportion of renewable energy use, and participate in green power trading.

The Company is actively considering the layout of new energy infrastructure. Jilong Mining has established a leading group in the direction of “full self-use” to carry out the preparation for the construction of self-use photovoltaic. In the future, we will accelerate the development of new energy, actively engage in low-carbon transformation, and gradually and rationally eliminate fossil energy in a variety of clean energy combinations, achieving a deep decarbonization transformation of Chifeng Gold.

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

## II. SOCIAL RESPONSIBILITY WORK

- (I) Whether the social responsibility report, sustainability report or ESG report are disclosed separately

For details, please refer to the Environmental, Social and Governance (ESG) Report 2024 disclosed by the Company on the same date as this annual report.

- (II) Specific details of social responsibility work

### External donations and public welfare projects

### Quantity/ content

### Explanation

Total investment (RMB'0,000)	196.90	With reference to the international and local public welfare action goals, the Company has continued to invest in philanthropy under the framework of the United Nations' sustainable development goals of "poverty elimination", "clean drinking and sanitation" and "decent work and economic growth". Under the guidance of the principles of responsible gold mining "community health and emergency plan" and "cultural heritage", the Company actively participates in community contributions. We develop and implement internal public welfare plans, plan charitable budgets and emergency reserves in advance every year, and allocate them to local communities to support different projects through an impartial review process. We work in education, environmental protection and cultural inheritance, support local development, actively participate in community co-construction and promote the vision of common progress to become a reality.
Including: funds (RMB'0,000)	187.10	
Value of supplies (RMB'0,000)	9.80	
Number of beneficiaries (person)	431	

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

- 1. To support sustainable education and foster the development of the next generation of talents, Wulong Mining donates funds to Banshicun Primary School every year; Jilong Mining donated money to local special schools in Aohan Banner. Golden Star Wassa supports local education through various means, including the establishment of development funds, provision of teaching materials and subsidies.
- 2. To jointly build infrastructure and seek common community development, Jilong Mining donated money to assist in the construction of a Party member Demonstration Area of Local Community, providing free vehicle transportation services to surrounding villagers. Jintai Mining builds roads for the surrounding communities. LXML provides medical services for local women and children every year through the Community Development Trust Fund.
- 3. To promote local development and create a quality environment for employees, LXML fulfilled its obligations of signing a long-term memorandum of work with the government and donated an open-air exhibition shed for paleolithic tools to the local area. Hanfeng Mining regularly organizes voluntary tree planting activities to improve the ecological environment of the mining area, while donating supplies to local primary and secondary schools, nursing homes, hospitals, and personnel serving in border areas. Guangyuan Technology actively participated in government welfare activities by purchasing unsalable watermelons to distribute employee benefits.

## III. SPECIFIC DETAILS OF THE PERFORMANCE OF CONSOLIDATION AND EXPANSION ACHIEVEMENTS IN POVERTY ALLEVIATION AND THE PROMOTION OF RURAL REVITALIZATION

Poverty alleviation and rural revitalization projects	Quantity/ content	Explanation
Total investment (RMB'0,000)	15	1. To improve the living environment and travel safety for rural residents, in 2024, Wulong Mining repaired damaged roads and bridges, improved local soil and water conservation facilities, contributing to the construction of rural infrastructure;
Including: funds (RMB'0,000)	13	
Value of supplies (RMB'0,000)	2	
Number of beneficiaries (person)	30	
Forms of assistance (such as industrial poverty alleviation, employment poverty alleviation, educational poverty alleviation, etc.)	Employment	2. To promote local rural employment, Wulong Mining actively provides jobs for local residents under the premise of safety production;
	poverty alleviation, educational poverty alleviation	
		3. Jintai Mining assists students in difficulty in the Liantie Township of Eryuan County by providing them with education guarantee.

# CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2024.

## CORPORATE GOVERNANCE

The Group is committed to maintaining high level of corporate governance. The Board is responsible for the implementation of corporate governance, including: (a) formulating, developing and reviewing the corporate governance policies and practices of the Company; (b) reviewing and supervising the training and continuous professional development of the Directors and senior management; (c) reviewing and supervising the policies and practices for the compliance of laws and regulatory requirements by the Company; (d) developing, reviewing and supervising the code of conduct and compliance manual, if any, for employees and the Directors; and (e) reviewing the compliance of the Corporate Governance Code by the Company and the disclosure in the corporate governance report. In the past year, actions and measures were taken by the Board to improve the corporate governance gradually and further strengthen the development of the Company's corporate governance system. The Board believes that an effective corporate governance system can safeguard the best interests of the Shareholders and promote the value and accountability of the Company.

The Company has adopted all applicable code provisions of the Corporate Governance Code. Pursuant to code provision B.2.2 of the Corporate Governance Code, every Director, including those appointed for a specific term, is subject to retirement by rotation at least once every three years. The eighth session of the Board of the Company would ordinarily have expired on 4 January 2025. In view of the fact that the nomination of candidates for the new session of the Board of the Company has not yet been completed, in order to ensure the continuity and stability of the work of the Board, the general election of the Board is postponed, and the terms of office of the specialized committees of the Board is postponed accordingly. Until the completion of the general election of the Board, the eighth session of the Board of the Company will continue to perform its duties and responsibilities as a director in accordance with relevant laws, regulations, regulatory documents and the Articles of Association.

As the H Shares of the Company were listed on the Hong Kong Stock Exchange on 10 March 2025, the Corporate Governance Code is only applicable to the Company since the listing date of the H Shares. Save for the above, The Company has adopted and complied with the provisions of the Corporate Governance Code and has followed most of its recommended best practices throughout the period from the listing date of the H Shares and up to the date of this annual report.

The Board will continue to review and improve its corporate governance system to ensure compliance with the Corporate Governance Code.



# CORPORATE GOVERNANCE REPORT

## Corporate Culture

We established our corporate culture of “Mutual Prosperity and Development” by unifying our shareholders, management and employees, where the interests of stakeholders and our Company are aligned such that our shareholders, managers and workers share the successes and face the challenges together, as they are all invested in the same collective goal. Led by Chairman Wang Jianhua, the teams across our Company are united by shared missions and vision, and our Company has developed a management model and a long-term incentive mechanism that cater to its conditions and has performed effectively in reducing costs and improving efficiency.

In September 2020, we launched the Phase I ESOP and as of 30 April 2021, approximately 41.6 million shares were repurchased for the purpose of equity incentives, involving no more than 98 core employees of both the headquarters and our subsidiaries. In January 2022, we announced the Phase II ESOP. As of 28 April 2023, approximately 16.6 million shares had been repurchased amounting to RMB300.0 million in value, where the repurchased shares would be used for the Phase II ESOP. In June 2023, we launched the Phase III ESOP and as of 27 June 2024, approximately 15.2 million shares were repurchased for purpose of equity incentives or employee stock ownership, amounting to RMB220.0 million in value. The equity incentives align the interests of the key employees with those of our Company, laying a sound foundation for high-quality and sustainable growth. Please refer to the section headed “C. Further Information about our Directors, Supervisors and Substantial Shareholders — 4. Employee Stock Ownership Plans” in Appendix VII of the Prospectus for further details of the ESOPs.

Our corporate culture of “Mutual Prosperity and Development” is strongly supported by our shareholders. Following the successful implementation of various rounds of share incentive arrangements for our key management throughout the years since 2020, the shareholding of the largest shareholder (and its associates) had dropped to 14.54% as of 31 December 2023 from 20.59% as of 31 December 2020. Meanwhile, the management team’s shareholding had increased. In January 2021 and February 2024, our management team increased its shareholding by further purchasing our Company’s shares on the secondary market. As of 30 September 2024, the management team and the key employees of our Company in aggregate held approximately 4.5% of the total shares outstanding. We believe the current shareholding and corporate governance structure reflect a management approach that prioritizes the interests of all shareholders.

With the proper mechanism, the management team is well incentivized, contributing to the ongoing growth and development of our Company. From 2021 to 2023, we achieved an unparalleled CAGR of 33.1% in gold production among all major gold producers in China according to Frost & Sullivan.

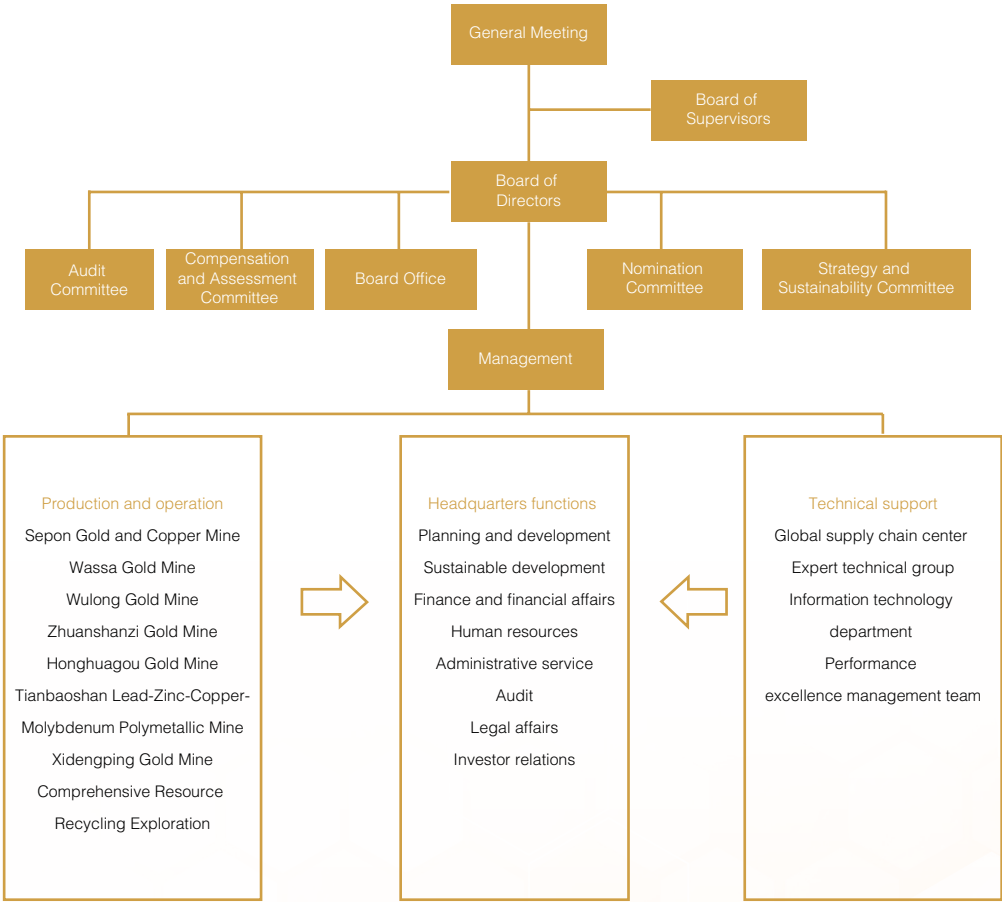


# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE

### I. RELEVANT EXPLANATION ON CORPORATE GOVERNANCE

During the Reporting Period, in strict accordance with the relevant laws, regulations and internal rules and systems such as the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and the Articles of Association, the Company implements the development concept of innovation, coordination, green, openness and sharing, and actively fulfills social responsibilities. By establishing and strictly implementing various systems, and strengthening the construction of internal control, it standardizes the operation of “three meetings and one layer”, strengthens internal and external supervision and checks and balances, and promotes standardized operation. The Company guarantees the legitimate rights of shareholders in a fair and equal manner, and respects the basic rights and interests of stakeholders.



# CORPORATE GOVERNANCE REPORT

## (I) General meeting

The general meeting is the highest authority of the Company. The Company convenes the general meetings strictly in compliance with the stipulations and requirements of the Articles of Association of the Company and the Rules of Procedures for General Meeting. All of the shareholders of the Company, especially the minority shareholders, can enjoy equal rights and fully exercise their voting rights.

To protect the interests and rights of the Shareholders, the Company has proposed separate resolutions on various material matters for consideration at the general meetings under the relevant laws and regulations and the relevant provisions of the Listing Rules of the Hong Kong Stock Exchange and the Shanghai Stock Exchange. Details of the rights of the Shareholders and the relevant voting procedures at the general meetings will be set out in the relevant materials for the meetings of the general meetings and the circular to Shareholders in accordance with the Articles of Association of the Company and the aforesaid Listing Rules, which will also be despatched to the H Shareholders before the relevant deadline and posted on the HKExnews website of the Hong Kong Stock Exchange and the Company's website.

During the reporting period, the Company held one annual general meeting and one extraordinary general meeting. For details of the proposals and resolutions discussed at the meetings, please refer to the relevant announcement published by the Company on the website of the Shanghai Stock Exchange.

## (II) Board of directors

### *Duties and Responsibilities*

The Board of Directors is the Company's business decision-making body, and it is responsible to the general meeting. The main duties of the Board are to implement the resolutions passed at the general meetings; make decisions on the medium and long-term development plans of the Company; make decisions on the operation and investment plans of the Company; make decisions on the annual financial budget and final accounts of the Company; formulate the profit distribution plan of the Company; decide on the establishment of the internal management structure of the Company and formulating the basic management system of the Company. As of 31 December 2024, the Board of Directors consists of 9 Directors, including 5 non-independent Directors and 4 independent non-executive Directors. The professional structure of the Directors was reasonable, and they had the knowledge, skills and quality needed to perform their duties. The Board of Directors operates in strict accordance with the Articles of Association of the Company and the Rules of Procedure for the Board of Directors of the Company, manages in a standardized and efficient manner, and makes scientific and professional decisions on the Company's development strategy, standardized operation, operation management, internal risk control and other major matters. According to the Articles of Association, the term of office of Directors (including non-executive directors) is three years, commencing from the date of approval of the resolution by the general meeting until the expiration of the term of office of the current Board of Directors. Upon the expiration of a Director's tenure, he or she is subject to re-election. However, according to the relevant regulations of the Shanghai Stock Exchange, the term of office of an independent non-executive Director shall not exceed six years. Each of the current directors has entered into a service contract with the Company for a term of three years, commencing from the date of approval by shareholders for the appointment, and subject to termination in accordance with the terms of the respective contracts. As of the date of this report, all directors of the eighth session of the Board of the Company have signed service contracts with the Company. None of the directors has entered or proposed to enter into a service contract with any member of the Group, excluding those contracts expiring within one year or determinable by the relevant employers within one year without payment of compensation (other than statutory compensation).

## CORPORATE GOVERNANCE REPORT

In respect of the supervision of the specific aspects of the Company's affairs, the Board of Directors of the Company has established 4 professional committees, namely the Audit Committee, the Nomination Committee, the Compensation and Assessment Committee, and the Strategy and Sustainability Committee, along with the board office, to create a clear and orderly, professional and efficient corporate governance framework. The Company clarifies the management policies and decision-making procedures of each governance body, continuously promoting the standardized and efficient operation of the governance system. The Board has delegated various responsibilities to each Board Committee, which are set out in their respective terms of reference. In addition, the Company's management provides adequate advice to the Board and Board Committees in a timely manner to enable Directors to make informed decisions.

### *Chairman and Chief Executive Officer*

The Board is responsible for making decisions on specific issues. The Company has the position of Chief Executive Officer. During the year, Mr. Wang Jianhua and Ms. Yang Yi-fang acted as the Chairman of the Board and the Chief Executive Officer of the Company, respectively, with a clear division of responsibilities. The Chairman is in charge of the affairs of the Board and reviews the implementation of the Board's resolutions whereas the Chief Executive Officer, under the leadership of the Board, is mainly responsible for the Company's management operations and business coordination, the Company has therefore complied with Code Provision C.2.1 of the Corporate Governance Code. Apart from the information disclosed in the section "Profile of Directors, Supervisors and Senior Management" of this annual report, there is no financial, business, family and other material/relevant relationship among the respective Directors, the Chairman and Chief Executive Officer.

### *Independent Non-Executive Director*

Since the listing of the H Shares of the Company on the Hong Kong Stock Exchange on 10 March 2025, the Board has complied with the requirements under Rules 3.10(1) and 3.10(2) of the Hong Kong Listing Rules in relation to the appointment of at least three independent non-executive Directors, including at least one independent non-executive Director with appropriate professional qualifications or with appropriate accounting or related financial management expertise. In addition, pursuant to Rule 3.10A of the Hong Kong Listing Rules, independent non-executive Directors must account for at least one-third of the Board members. The Company has four independent non-executive Directors, accounting for one third of the Board members, and therefore the Company has complied with the relevant regulations. The Company confirmed that all independent non-executive directors complied with the independence requirements set out in Rule 3.13 of the Hong Kong Listing Rules at the end of the reporting period.

# CORPORATE GOVERNANCE REPORT

*Independent Input Mechanisms*

<b>Board and committees’ structure</b>	<ul style="list-style-type: none"><li>As of the end of the Reporting Period, the Board of the Company composed of 9 members including 4 independent non-executive Directors. It complies with the requirements of the Hong Kong Listing Rules that independent non-executive directors should account for one-third of the number of directors and not less than three.</li></ul>
<b>Independent non-executive Directors’ tenure</b>	<ul style="list-style-type: none"><li>In accordance with the requirements of the Articles of Association, the term of office for independent non-executive Directors shall be three years, and eligible to offer himself for re-election, but shall not exceed six years.</li></ul>
<b>Independent non-executive Directors’ remuneration</b>	<ul style="list-style-type: none"><li>Independent non-executive Directors receive fixed fee(s) for their roles as members of the Board and Board Committee(s) as appropriate. The Company has not established an incentive scheme related to its Shares.</li></ul>
<b>Appointment of independent non-executive Directors</b>	<ul style="list-style-type: none"><li>Independent search firm(s) can be engaged by the Nomination Committee to help identify potential candidates for appointment of independent non-executive Directors.</li><li>In assessing suitability of the candidates, the Nomination Committee will review their profiles, including their qualification and time commitment, having regard to the Board’s composition, the Directors’ skills and experience, the list of selection criteria approved by the Board and the Board Diversity Policy.</li></ul>
<b>Annual review of independent non-executive Directors’ commitment and independence</b>	<ul style="list-style-type: none"><li>The Nomination Committee reviews annually each Director’s time commitment to Company’s business. Directors’ attendance records during the Reporting Period are disclosed in the section head “V. Performance of Duties by Directors - (I) The Attendance of Directors in Board Meetings and General Meetings” contained in the Corporate Governance Report.</li><li>Independent non-executive Directors’ independence is assessed upon appointment, annually, and as the circumstances require.</li></ul>



# CORPORATE GOVERNANCE REPORT

<b>Management of the conflict of interests</b>	<ul style="list-style-type: none"> <li>The internal system of the Company contains provisions for the avoidance of conflicts of interest and provides guidance on the actions to be taken by Directors in relation to conflicts of interest.</li> </ul>
<b>Professional advice</b>	<ul style="list-style-type: none"> <li>Directors may consult the Company Secretary of the Company or the Office of the Board on matters relating to the performance of their duties, as well as external professional advisers and legal advisers at the Company's expense.</li> </ul>
<b>Evaluation of the performance of the Board</b>	<ul style="list-style-type: none"> <li>The quality and efficiency of discussions at Board meetings are assessed during the annual evaluation of the Board's performance.</li> <li>The Board is of the view that the implementation of the above mechanism can effectively ensure that the Board receives independent views and opinions.</li> </ul>

## *Board Diversity*

The Company attaches great importance to the diversity of the Board of Directors and is committed to creating a highly inclusive and diverse board team. In the process of selecting directors, we are not limited to gender, race, nationality, language, cultural background, educational background, industry experience, and professional experience, ensuring that board members possess diverse perspectives and rich expertise.

In accordance with the requirements of the Hong Kong Listing Rules, the Board has adopted the Board Diversity Policy, which sets out the objectives of achieving board diversity and the means of maintaining board diversity with the aim of enhancing the effectiveness of the Board. Pursuant to the Board Diversity Policy, we will take into account, including but not limited to, factors such as gender, age, race, cultural background, educational background, industry experience, professional experience, etc. in achieving board diversity. The Company will consider its own business model and specific needs from time to time and make final decisions based on merits and contributions that the candidates will bring to the Board.

With reference to the policy above, the Nomination Committee of the Board of the Company has reviewed the composition of the Board in accordance with the Hong Kong Listing Rules in terms of the following factors:

- Age:** At present, the members of the Board cover the age group from above 45 to 69. The diversity of age groups helps the members of the Board to bring a variety of thinking;

## CORPORATE GOVERNANCE REPORT

- Educational backgrounds and professional knowledge:** The members of the Board, our directors, possess knowledge and skills in various fields, including knowledge and experience in business management, mining and metallurgy, law, economics, investment and accounting. The independent non-executive directors of the Company have extensive experience in the fields of mining and metallurgy and mineral resources engineering. A number of directors have obtained master's and doctoral degrees and other professional accreditation qualifications, including certified public accountants of Hong Kong, certified public accountants of Australia, engineers and senior economists. It also reflects that the Group's mine management and related supporting material supply businesses involve different professional fields. The educational background of the members of the Board helps to guarantee the professionalism of the Group's business; and
- Industry experience:** The members of the Board have relatively sufficient industry experience in their respective fields, including participating in different domestic and cross-border businesses in the operation management, investment management and other enterprises in the mining industry, which brings foresight to the Company's business development and international vision.

To sum up, the directors are of the opinion that the composition of the Board of the Company is in compliance with the board diversity requirements of the Hong Kong Listing Rules in terms of gender, age, educational background, industry experience, region and duration of service. The Board possesses skills, experience and diversified backgrounds relevant to the Group's strategy, governance and business, and its members have different strengths and complement each other to contribute to the Board's operational effectiveness and efficiency. Information about the Board's current composition (including the skills and experience of directors) is set out in the section headed "Brief Biography Of Directors, Supervisors And Senior Management" in this annual report.

As of the end of the reporting period, the Board of the Company has one female member, Ms Yang Yi-fang. Ms Yang is a member of the Remuneration and Appraisal Committee and the Strategy and Sustainability Committee, in which her duties as one of the members of the Strategy and Sustainability Committee include conducting studies and making recommendations on the Company's sustainability capabilities. The Company will endeavour to identify suitable female candidates when identifying candidates for the next Board, with a view to further promoting the board diversity of the Company.

## CORPORATE GOVERNANCE REPORT

In terms of the employees of the Group, the Company believes that the principle of democratic and equal management can stimulate the innovation and vitality of our employees and promote the Company's sustainability, while contributing to the progress of the society. We attach great importance to the career development of our female employees, and through comprehensive policy support and fair promotion mechanisms, we ensure that there is no discrepancy in the salaries of male and female employees in the same position with comparable performance, so as to create an equal working environment for our female employees and help them realise their career aspirations. We also actively employ ethnic minority employees to provide equal opportunities for the development of employees from different cultural backgrounds and to create a diverse and inclusive working environment. As of the end of the reporting period, the Group had a total of 6,911 regular employees, of whom 971 were female, accounting for approximately 14.05% of all employees. The number of female employees at the management level was 4 (accounting for 9.52%), the number of female employees at the middle level was 17 (accounting for 6.25%) and the number of female employees at the junior level was 950 (accounting for 14.4%). A total of 4,035 employees (accounting for approximately 58.39% of all employees) belonged to the age group of 30 to 50, with 860 employees aged below 30 and 2016 employees above 50. As of the end of the reporting period, the Group had a total of 373 employees from ethnic minorities, accounting for 9.84% of the total number of regular employees in the domestic regions. During the reporting period, there were 2,459 new employees, of which 231 belonged to the age group below 30. This just reflects the Group's adherence to the principle of equality between men and women in social recruitment, and it will actively cultivate and identify suitable talents from young employees, provide promotion opportunities, and strive to continuously improve the diversity of the Group's employees, senior management and directors in terms of their personal capabilities, professional backgrounds, gender, etc. In conclusion, the Company believes it has achieved diversity in terms of gender, cultural background and age among its employees, and will systematically and progressively enhance diversity in terms of gender and background in future renewal of the Board as well as employee training and promotion.

# CORPORATE GOVERNANCE REPORT

## *Time Commitment of the Directors*

Besides attending formal meetings to learn more about the business of the Company, the Directors of the Company could stay informed about the affairs of the Company through other channels, including listening to the debriefing of the Company's management, reviewing the operating information regularly provided by the Company and paying on-site visits to the Company's business, to gain a full understanding to the Company's business and perform their duties effectively. After careful review, the Board is of the view that the Directors of the Company have dedicated sufficient time and effort to perform their duties during the year.

## *Training and Professional Development of Directors*

During the Year, all Directors have received training in the written form or by participating in seminars. The Directors have been updated with the latest developments in legal and regulatory requirements and the operation of the Company to facilitate the performance of their duties. Training will also be provided for the Directors when necessary to ensure that the Directors understand the business and operation of the Group and their duties and obligations under the Listing Rules of Hong Kong Stock Exchange and Shanghai Stock Exchange as well as the applicable laws and regulations.

The individual training records received by each Director during the year are summarized as follows:

<b>Names</b>	<b>Attending or participating in seminars/reading materials relevant to the Director's duties Executive Directors</b>
<b><i>Executive Directors</i></b>	
Mr. Wang Jianhua	✓
Ms. Yang Yi-fang	✓
Mr. Lyu Xiaozhao	✓
Mr. Gao Bo	✓
<b><i>Non-executive Directors</i></b>	
Mr. Zhang Xudong	✓
<b><i>Independent Non-executive Directors</i></b>	
Dr. Mao Jingwen	✓
Dr. Shen Zhengchang	✓
Mr. Hu Nailian	✓
Dr. Wong Yet Ping Ambrose (appointed as an independent non-executive director on 23 August 2024)	✓
Dr. Li Yan (resigned as independent non-executive Director on 23 August 2024)	✓
Mr. Guo Qingui (resigned as independent non-executive Director on 23 August 2024)	✓

# CORPORATE GOVERNANCE REPORT

## (III) Board of supervisors

The board of supervisors is the supervisory body of the Company, and currently has 3 Supervisors, including 1 supervisor (employee representative). The number and composition of the board of Supervisors meet the requirements of laws and regulations. According to the authority conferred by the Articles of Association, the board of Supervisors holds regular meetings of the board of Supervisors. In a responsible attitude towards shareholders, the board of supervisors earnestly performs its duties, supervises and inspects the performance of directors and senior executives and the legality and compliance of the Company's finances, and fully safeguards the legitimate rights and interests of the Company and shareholders.

As of the date of this report, all supervisors of the eighth session of the Supervisory Committee of the Company have signed service contracts with the Company.

## (IV) Revision and improvement of internal control system

During the Reporting Period, to further strengthen corporate governance, meet the needs of the Company's international development, and comply with the operational requirements after issuing H shares and listing on the Main Board of The Stock Exchange of Hong Kong Limited, the Company revised the Articles of Association of the Company, Rules of Procedure for General Meeting, Rules of Procedure for the Board of Directors, Rules of Procedure for the Board of Supervisors, and the Management System for Connected Transactions, Work System for Independent Directors, Management System for Information Disclosure, Work System for Secretary of Board of Directors, Registration Management System for Person with Knowledge of Inside Information, Investor Relations Management System, and Working Rules for Audit Committee, Nomination Committee, Compensation and Assessment Committee, Strategy and Sustainability Committee of Board of Directors, and continuously improved the standardized operation of "three meetings and one layer" and internal control.

The Board shall perform operational decision-making and is committed to establishing and improving the measures and plans for internal control as well as the implementation of the internal control system, so as to safeguard the investment of shareholders and the assets of the Group.

The Board recognises it is responsible for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has delegated its responsibility (together with the relevant authority) for internal control to the Audit Committee. The Audit Committee is responsible for supervising the design, implementation and monitoring of the management in respect of the internal control system. The management has confirmed to the Audit Committee (and the Board) the effectiveness of such system for the year ended 31 December 2024.

The Board shall be responsible for the internal control system of the Company and reviewing the effectiveness of such system. The Supervisory Committee shall supervise the establishment and implementation of internal control by the Board. The management is responsible for organising and leading the daily operation of internal control.



# CORPORATE GOVERNANCE REPORT

## (V) Information disclosure and investor relations

The Company strictly follows the listing rules of the Shanghai Stock Exchange and fulfills its information disclosure obligations in accordance with the law, and strictly adheres to the principles of “fairness, justice and openness” to ensure that the information disclosed in the Company’s periodic reports and provisional announcements is authentic, accurate, timely, complete, concise, clear and easy to understand. The secretary of the Board and the board office of the Company are responsible for the Company’s information disclosure and investor relations management. The Company has always adhered to the principles of openness and transparency to continuously improve the quality of information disclosure, expand the forms of information disclosure, and enrich the content of information disclosure. The Company sincerely communicates with investors, establishes good, stable, and diversified communication channels, and enhances investors’ comprehensive understanding of the Company.

The management of the Company attaches great importance to the investor relation management, and has established Measures for Information Disclosure, Investor Relation Management Policy and other regulatory systems to standardise and optimise the investor relation management of the Company.

By implementing the Investor Relation Management Policy, the Company enhances investors’ and shareholders’ understanding and recognition of the Company through reasonable information disclosure and exchange. At the same time, transparent information disclosure helps to improve the level of corporate governance, so as to maximize the overall interests of the Company and protect the legitimate rights and interests of investors and shareholders.

The Investor Relation Management Policy are summarized as follows:

- Purposes of investor relation**
- Promote the benign relationship between the Company and investors, and enhance investors’ further understanding and familiarity with the Company;
  - Establish a stable and high-quality investor base and obtain long-term market support;
  - Form a corporate culture that serves and respects investors; and
  - Promote the benign relationship between the Company and investors, increase the transparency of the Company’s information disclosure and improve corporate governance.

# CORPORATE GOVERNANCE REPORT

## Basic principles of investor relation management

- The Company adheres to the following principles in the work of investor relation management, including:
  - (i) **The principle of full and compliant disclosure of information:** actively disclose other relevant information that investors care about, and ensure that the information disclosure is true, accurate, complete and timely;
  - (ii) **The principle of equal opportunity for investors:** the Company shall treat all shareholders and potential investors fairly and avoid selective information disclosure;
  - (iii) **The principle of honesty and trustworthiness:** the investor relation work should be objective, true and accurate to avoid excessive publicity and misleading;
  - (iv) **The principle of high efficiency and low consumption:** when selecting the working mode for investor relation, the Company shall fully consider improving communication efficiency and reducing communication costs; and
  - (v) **The principle of interactive communication: the Company** shall actively listen to the opinions and suggestions of investors, realise two-way communication between the Company and investors, and form a positive interaction.

## Targets of investor relation

- Investors, including existing shareholders and potential investors;
- Media such as securities analysts, financial media and industry media; and
- Securities regulatory authorities and other relevant government agencies.

## CORPORATE GOVERNANCE REPORT

### Communication mode

- The Company discloses information to shareholders and investors through announcements, general meetings, company websites, mailing materials, telephone consultation, media interviews and reports, analyst meetings and performance briefings, one-to-one communication, on-site visits, roadshows, questionnaires and other channels;
- The Company attaches great importance to the construction of the network communication platform, opens a column on investor relation on the Company's website, and sets up an e-mail address to accept inquiries and suggestions from investors and responds in a timely manner;
- The Company timely enriches and updates the content of the Company's website, and can add information that investors care about on the Company's website, such as news release, company profile, expressway operation and related supporting services, legal information disclosure materials, contact methods of investor relation, special articles and executive speeches; and
- The Company allows the public to participate in the Company's investor relation exchange activities online and offline through modern communication tools such as the network, in combination with on-site visits and other modes. During the implementation of the financing plan, the roadshow shall be held in accordance with the relevant regulations, and the time and place of the annual general meeting and the extraordinary general meeting shall be fully considered to facilitate the participation of shareholders, allowing the Company to receive the opinions of shareholders and other stakeholders in a timely manner.

During the reporting period, while earnestly performing statutory information disclosure obligations, the Company launched investor relation activities in various forms to provide investors with information which they were interested in, to promote the operation transparency of the Company and to build mutual understanding and trust. Meanwhile, the Company absorbed the advice from investors in the course of information delivery and collected feedback from investors to boost benign interactions between the Company and investors.

## CORPORATE GOVERNANCE REPORT

In conducting investor relation activities by the Company, the securities investment department of the Company is dedicated to investor relation management. The channels adopted by it mainly include: answering phone calls and e-mail enquiries from the investors timely through investor hotline and e-mail; hosting site visits for investors and securities analysis agencies; participating in investor promotion activities; organising roadshows; providing particulars about the Company, information disclosure and corporate governance through the Company's website.

The Company regularly receives inquiries from relevant investment organisations and industry stakeholders, in relation to the Group's business development, industry prospects and financing proposals. On the premise of complying with applicable laws and regulations, the Company will strengthen its contact with all parties in accordance with the above Investor Relation Management Policy. In order to enhance the transparency of the Company's information disclosure, the Company will, as always, continue to provide relevant information on a regular basis and as necessary under the premise of compliance. In view of the above, having considered the various existing communication channels and feedback from shareholders and investors, the Company believes that its communication policy with investors has been effectively implemented during the reporting period.

The Board is grateful to shareholders and other stakeholders for their continued support to the Group and welcomes their views as well as any questions they may have about the management and governance matters of the Company.

### (VI) Risk Management System

The Company continues to advance the construction of its risk governance system, establish three lines of defense for risk management, and enhance the level of comprehensive risk management, ensuring high-quality development of the enterprise. It is also committed to establishing and improving the measures and plans for the risk management as well as supervising the implementation of the risk management.

The Board recognises it is responsible for the risk management and reviewing its effectiveness. Such system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has delegated its responsibility (together with the relevant authority) for the risk management to the Audit Committee. The Audit Committee is responsible for supervising the design, implementation and monitoring of the management in respect of the risk management. The management has confirmed to the Audit Committee (and the Board) the effectiveness of such system for the year ended 31 December 2024.

The Board shall be responsible for the risk management of the Company and reviewing the effectiveness of such system.

The functional departments and business units serve as the first line of defense in risk management, responsible for identifying, assessing, and controlling risks at all stages of daily business planning, execution, and supervision.

## CORPORATE GOVERNANCE REPORT

The Audit Department and the Audit Committee under the board of directors serve as the second line of defense in risk management, responsible for formulating and implementing risk management systems, standards and processes, as well as supervising and evaluating the effectiveness of risk management work.

The Board of Directors and the general meeting serve as the third line of defense in risk management, responsible for clarifying the basic framework and guiding principles of the Company's risk management work, controlling overall risks from the corporate governance level, and regularly listening to reports on the risk management work from the risk management department and responsible parties.

### (VII) Scope of responsibilities:

#### *Board*

1. Be responsible for the risk management and internal control system and continuously review their effectiveness, to ensure that the Company can establish and maintain effective risk management and internal control systems;
2. Review the risk management and internal control systems of the Company at least once every year, and ensure that at each review, the Company has sufficient resources, staff qualifications and experience, staff training programmes and relevant budgets in terms of accounting, internal audit and financial reporting functions. In case of additional matters that need to be reported, the chairman of the Board shall determine whether to report such matters to the Board; and
3. Supervise the design, implementation and monitoring of the management in respect of the risk management and internal control systems.

#### *Audit Committee*

1. Review and assess the completeness and effectiveness of the financial control, internal control and risk management systems, mechanisms and regimes;
2. Evaluate the risk management and internal control assessment and audit results, and supervise the rectification regarding risk management and internal control defects;
3. Discuss with management about the internal control system to ensure that the management has set up an effective internal control system. The discussion shall cover the sufficiency of resources and staff qualifications and experience of accounting and financial reporting functions, and the adequacy of staff trainings and relevant budgets; and
4. Study, either initiatively or as assigned by the Board, the important review results related to risk management and internal control matters and the management's feedback about such review results.



# CORPORATE GOVERNANCE REPORT

## *Management*

1. Be responsible for the risk management and internal control, and manage the affairs in connection therewith; and
2. Provide feedback to the Board and the Audit Committee on the relevant information about risk management and internal control processes.

The management of the Company reports the risk management and internal control of the Company to the Audit Committee and the Board at the annual meeting held each year, so that the Board is able to make judgements about the effectiveness of the control and risk management of the Company.

The Company applies relevant policies and procedures to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects, which include the requirement that the management of the Company shall conduct regular evaluation and acquire relevant information timely. In the meantime, the Company has developed a set of anti-corruption policies and systems to offer guarantee for anti-corruption, reporting and supervision.

## **(VIII) Specific procedures for identification, assessment and management of material risks**

### *1. Risk identification*

Determine risk measurement criteria and identify risks which may have potential impact on the Company.

### *2. Risk assessment*

Assess risks identified and classify them by risk level.

### *3. Risk response*

Select a response strategy according to the risk level, and the risk management department follows up the effectiveness of such response strategy; and, at the same time, formulate relevant countermeasures to avoid recurrence of and to mitigate the risks.

### *4. Risk monitoring*

Monitor the risks continuously and regularly, and adjust the procedures for the risk management and internal control when appropriate to ensure that the control procedures are appropriate and effective; report the results of risk monitoring to the management and the Board regularly.

In a bid to become resilient to changes of external environment and maintain its profitability, the Company optimises its business flow and transforms its business and management modes through management innovation, business reform and other means. It also exerts great efforts to mid – and long-term planning, promotion of cost reduction, organisation and procedure optimisation, capability improvement and other aspects of the Company to ensure its implementation and realisation of strategy and annual plan.

# CORPORATE GOVERNANCE REPORT

## (IX) Internal Audit Function

The internal audit function of the Company is performed by the Audit and Legal Department, which directly reports to the Audit Committee.

## (X) Handling and Dissemination of Inside Information

In respect of the procedures for and internal control of handling and dissemination of inside information, the Company:

1. acknowledges its responsibilities under the SFO and the Hong Kong Listing Rules, and the overriding principle is that if such information is determined as inside information, an announcement shall be published as soon as reasonably and practicably feasible; and
2. pays close attention to the applicable laws and regulations when handling with such information.

A self-evaluation report has been prepared by the Board in respect of the risk management and internal control matters of the Company during the reporting period. The Board has reviewed the control systems of the Company and is of the view that, during the reporting period, such systems were effective and adequate and management of the Company should further perfect its risk management and internal control systems to promote a higher standard of corporate governance.

## (XI) Procedures for Convening Extraordinary General Meetings

Shareholders that hold, individually or collectively, ten percent (10%) or more of the shares in the Company shall have the right to request in writing the board of directors to hold an extraordinary general meeting, clearly stating the agenda of the meeting. The board of directors shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to call such an extraordinary general meeting within ten (10) days after receiving the proposal from the above-mentioned shareholders to call such meeting.

## (XII) Procedures for Making Enquiries to the Board

The shareholder communication policy of the Company aims to maintain transparency and provide information about major developments of the Group to shareholders and investors in a timely manner. General meetings are the formal channel of communication of the Company with shareholders and the Board. The chairman of the Board and the chairmen of board committees (or another member of the respective committee if one fails to attend the meeting) will attend general meetings to have direct communication with shareholders.

Shareholders may also make their enquiries and questions to the Board by sending to the Board Secretarial Office of the Company at the following address:

Address: A7 Xiaojing, Wanfeng Road, Fengtai District, Beijing, the PRC

Telephone: +86(10) 5323 2310

# CORPORATE GOVERNANCE REPORT

## (XIII) Procedures for Making Proposals at General Meetings

The board of directors, the supervisory committee and shareholders holding, individually or collectively, three percent (3%) or more of the shares in the Company shall have the right to put forward proposals to the Company at the general meeting.

Shareholders who individually or collectively hold more than three percent (3%) of the shares of the Company may submit a provisional proposal in writing to the convener ten (10) days prior to the convening of the general meeting. If the proposal meets the requirements of Article 54 of the Articles of Association, the convener shall issue a supplemental notice of the general meeting within two (2) days after receiving the proposal and announce the content of the provisional proposal.

## (XIV) Amendments to the Constitutional Documents

For the existing Articles of Association of the Company, in view of the need for the Company to issue and list H Shares on the Hong Kong Stock Exchange, the Articles of Association and the annexes therein were amended according to the Resolution in Relation to the Amendments to the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd. (Draft) and Relevant Rules of Procedures Effective upon the Issuance and Listing of H Shares which was passed at the first extraordinary general meeting of 2024 on 23 August 2024, with effect from the listing date of H Shares. See the prospectus for details.

## (XV) Compliance with the Model Code

During the year, the Company has adopted a code of conduct regarding directors' and supervisors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"). Having made specific enquiries with all the directors and supervisors, it was confirmed that the directors and supervisors of the Company have complied with the Model Code in relation to securities transactions by the directors and its own standards of code of conduct and there has not been any non-compliance with the Model Code.

## (XVI) Directors' Responsibilities for Preparation of Financial Statements

The directors acknowledge their responsibilities for preparing financial statements of the Group in accordance with the relevant statutory requirements and China Accounting Standards for Business Enterprises and ensuring that the financial statements give a true and fair view of the Group's financial position.

According the Code Provision C.5.9 of the Corporate Governance Code, management shall provide sufficient explanation and information to the Board so that the Board can make an informed assessment of financial and other information before such information is submitted to the Board for approval. The Company shall also provide all members of the Board with monthly updates on the performance, position and prospects of the Group.

# CORPORATE GOVERNANCE REPORT

## II. BRIEF INFORMATION ABOUT GENERAL MEETING

The management of the Company attaches great importance to the investor relation management, and has established Measures for Information Disclosure, Investor Relation Management Policy and other regulatory systems to standardise and optimise the investor relation management of the Company.

By implementing the Investor Relation Management Policy, the Company enhances investors' and shareholders' understanding and recognition of the Company through reasonable information disclosure and exchange. At the same time, transparent information disclosure helps to improve the level of corporate governance, so as to maximize the overall interests of the Company and protect the legitimate rights and interests of investors and shareholders.

The Investor Relation Management Policy are summarized as follows:

- |   |   |
|---|---|
| <b>Purposes of investor relation</b>                    | <ul style="list-style-type: none"> <li>• Promote the benign relationship between the Company and investors, and enhance investors' further understanding and familiarity with the Company;</li> <li>• Establish a stable and high-quality investor base and obtain long-term market support;</li> <li>• Form a corporate culture that serves and respects investors; and</li> <li>• Promote the benign relationship between the Company and investors, increase the transparency of the Company's information disclosure and improve corporate governance.</li> </ul>   |
| <b>Basic principles of investor relation management</b> | <ul style="list-style-type: none"> <li>• The Company adheres to the following principles in the work of investor relation management, including:               <ul style="list-style-type: none"> <li>(i) The principle of full and compliant disclosure of information: actively disclose other relevant information that investors care about, and ensure that the information disclosure is true, accurate, complete and timely;</li> <li>(ii) The principle of equal opportunity for investors: the Company shall treat all shareholders and potential investors fairly and avoid selective information disclosure;</li> <li>(iii) The principle of honesty and trustworthiness: the investor relation work should be objective, true and accurate to avoid excessive publicity and misleading;</li> <li>(iv) The principle of high efficiency and low consumption: when selecting the working mode for investor relation, the Company shall fully consider improving communication efficiency and reducing communication costs; and</li> </ul> </li> </ul> |

# CORPORATE GOVERNANCE REPORT

- (v) The principle of interactive communication: the Company shall actively listen to the opinions and suggestions of investors, realise two-way communication between the Company and investors, and form a positive interaction.

## Targets of investor relation

- Investors, including existing shareholders and potential investors;
- Media such as securities analysts, financial media and industry media; and
- Securities regulatory authorities and other relevant government agencies.

## Communication mode

- The Company discloses information to shareholders and investors through announcements, general meetings, company websites, mailing materials, telephone consultation, media interviews and reports, analyst meetings and performance briefings, one-to-one communication, on-site visits, roadshows, questionnaires and other channels;
- The Company attaches great importance to the construction of the network communication platform, opens a column on investor relation on the Company's website, and sets up an e-mail address to accept inquiries and suggestions from investors and responds in a timely manner;
- The Company timely enriches and updates the content of the Company's website, and can add information that investors care about on the Company's website, such as news release, company profile, expressway operation and related supporting services, legal information disclosure materials, contact methods of investor relation, special articles and executive speeches; and
- The Company allows the public to participate in the Company's investor relation exchange activities online and offline through modern communication tools such as the network, in combination with on-site visits and other modes. During the implementation of the financing plan, the roadshow shall be held in accordance with the relevant regulations, and the time and place of the annual general meeting and the extraordinary general meeting shall be fully considered to facilitate the participation of shareholders, allowing the Company to receive the opinions of shareholders and other stakeholders in a timely manner.



## CORPORATE GOVERNANCE REPORT

During the reporting period, while earnestly performing statutory information disclosure obligations, the Company launched investor relation activities in various forms to provide investors with information which they were interested in, to promote the operation transparency of the Company and to build mutual understanding and trust. Meanwhile, the Company absorbed the advice from investors in the course of information delivery and collected feedback from investors to boost benign interactions between the Company and investors.

In conducting investor relation activities by the Company, the securities investment department of the Company is dedicated to investor relation management. The channels adopted by it mainly include: answering phone calls and e-mail enquiries from the investors timely through investor hotline and e-mail; hosting site visits for investors and securities analysis agencies; participating in investor promotion activities; organising roadshows; providing particulars about the Company, information disclosure and corporate governance through the Company's website.

The Company regularly receives inquiries from relevant investment organisations and industry stakeholders, in relation to the Group's business development, industry prospects and financing proposals. On the premise of complying with applicable laws and regulations, the Company will strengthen its contact with all parties in accordance with the above Investor Relation Management Policy. In order to enhance the transparency of the Company's information disclosure, the Company will, as always, continue to provide relevant information on a regular basis and as necessary under the premise of compliance. In view of the above, having considered the various existing communication channels and feedback from shareholders and investors, the Company believes that its communication policy with investors has been effectively implemented during the reporting period.

The Board is grateful to shareholders and other stakeholders for their continued support to the Group and welcomes their views as well as any questions they may have about the management and governance matters of the Company.



# CORPORATE GOVERNANCE REPORT

Session	Date of convention	Search index for the website designated for publishing resolutions	Date of disclosure to publication of resolutions	Meeting resolutions
The Annual General Meeting in 2023	29 April 2024	www.sse.com.cn	30 April 2024	<p>The following matters were considered and approved:</p> <ol style="list-style-type: none"><li>1. Work Report of the Board of Directors in 2023;</li><li>2. Work Report of the Board of Supervisors in 2023;</li><li>3. Financial Accounts Report in 2023;</li><li>4. Financial Budget Program in 2024;</li><li>5. Profit Distribution Plan in 2023;</li><li>6. Resolution on the Determination of Directors' Remuneration in 2023 and the Remuneration Scheme in 2024;</li><li>7. 2023 Annual Report and its summary;</li><li>8. Resolution on the Re-engagement of the Audit Institution in 2024;</li><li>9. Resolution on the Total Amount of Financing for 2024;</li><li>10. Resolution on the Total Amount of External Guarantee in 2024.</li></ol>

CORPORATE GOVERNANCE REPORT

Session	Date of convention	Search index for the website designated for publishing resolutions	Date of disclosure to publication of resolutions	Meeting resolutions
The first extraordinary general meeting in 2024	23 August 2024	www.sse.com.cn	24 August 2024	<p>The following matters were considered and approved:</p> <ol style="list-style-type: none"><li>1. Resolution on the Issuance of H Shares and Listing of the Company on The Stock Exchange of Hong Kong Limited;</li><li>2. Resolution on the Plan for Issuance of H Shares and Listing of the Company on The Stock Exchange of Hong Kong Limited;</li><li>3. Resolution on the Conversion of the Company into a Joint Stock Limited Company by offering shares overseas;</li><li>4. Resolution on the Validity Period of the Proposal for the Issuance and Listing of H Shares of the Company;</li><li>5. Resolution on the Use of Proceeds from the Issuance of H Shares of the Company;</li><li>6. Resolution on the Report on the Use of Previous Proceeds of the Company;</li><li>7. Resolution on the Distribution Plan for Accumulated Profits Prior to the Issuance of H shares of the Company;</li></ol>

# CORPORATE GOVERNANCE REPORT

Session	Date of convention	Search index for the website designated for publishing resolutions	Date of disclosure to publication of resolutions	Meeting resolutions
				<p>8. Resolution on the Amendments to the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd. (Draft) and the Related Rules of Procedure Effective after the Issuance and Listing of H Shares;</p> <p>9. Resolution on the Amendments to the Internal Governance System of the Company Effective after the Issuance and Listing of H Shares;</p> <p>10. Resolution on Requesting the General Meeting to Authorize the Board of Directors of the Company and its Authorized Persons to Handle Matters Related to the Issuance and Listing of H Shares of the Company;</p> <p>11. Resolution on the Addition of Mr. Wong Yet Ping Ambrose as an Independent Director of the Eighth Board of Directors of the Company;</p> <p>12. Resolution on the Adjustment of Allowance for Independent Directors of the Company;</p> <p>13. Resolution on Determining the Role of Directors of the Company;</p> <p>14. Resolution on the Appointment of an Audit Institution for the Issuance and Listing of H Shares of the Company.</p>

# CORPORATE GOVERNANCE REPORT

## III. INFORMATION ABOUT DIRECTORS, SUPERVISORS AND SENIOR EXECUTIVES

### (I) Changes in share ownership and remuneration of current and former directors, supervisors and senior executives during the Reporting Period

Unit: A Share

Name	Position	Gender	Age	Date of appointment	Date of resignation	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase/decrease of shares in the year	Reasons for increase/decrease	Total pre-tax remuneration received from the Company during the Reporting Period (RMB '0,000)	Whether remuneration from related parties of the Company is received
Wang Jianhua	Executive Director	Male	69	2018-09-17		73,628,171	74,200,071	571,900	Purchased from secondary market	582.34	No
	Chairman			2019-12-21							
Yang Yi-fang	Executive Director	Female	48	2022-07-26		0	113,000	113,000	Purchased from secondary market	514.41	No
	CEO			2022-12-30							
Lyu Xiaozhao	Executive Director	Male	61	2012-12-14		69,500	111,700	42,200	Purchased from secondary market	340.00	No
	Vice President and Chief Engineer			2023-09-27							
Gao Bo	Executive Director	Male	56	2012-12-14		67,300	153,500	86,200	Purchased from secondary market	409.11	No
	Vice President			2023-01-18							
Zhang Xudong	Director	Male	59	2022-01-04		0	0	0	0	32.00	No
Mao Jingwen	Independent Director	Male	68	2022-01-04		0	0	0	0	19.43	No
Shen Zhengchang	Independent Director	Male	64	2022-01-04		0	0	0	0	19.43	No
Hu Nailian	Independent Director	Male	69	2022-01-04		0	0	0	0	19.43	No
Wong Yet Ping Ambrose	Independent Director	Male	45	2024-08-23		0	0	0	0	7.84	No
Cheng Zhenlong	Supervisor	Male	58	2022-01-04		0	0	0	0	49.31	No
	Chairman of Board of Supervisors			2022-12-30							



# CORPORATE GOVERNANCE REPORT

Name	Position	Gender	Age	Date of appointment	Date of resignation	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase/decrease of shares in the year	Reasons for increase/decrease	Total pre-tax remuneration received from the Company during the Reporting Period (RMB '0,000)	Whether remuneration from related parties of the Company is received
Ji Hongyong	Supervisor	Male	50	2022-01-02		0	0	0	0	58.13	No
Liu Fengwu	Supervisor (Employee Representative)	Male	50	2024-01-02		0	0	0	0	27.40	No
Chen Zhiyong	Vice President	Male	51	2023-01-18		0	0	0	0	421.34	No
Wong Hok Bun Mario	CFO	Male	46	2023-07-14		0	0	0	0	340.46	No
	Vice President			2023-09-27							
Zhou Xinbing	Vice President	Male	48	2023-01-18		65,500	112,800	47,300	Purchased from secondary market	329.96	No
Dong Shubao	Secretary of the Board	Male	42	2022-01-04			38,500	38,500	Purchased from secondary market	142.81	No
Li Yan	Independent Director	Female	68	2018-09-17	2024-08-23	0	0	0	0	11.67	No
Guo Qingui	Independent Director	Male	52	2018-09-17	2024-08-23	0	0	0	0	11.67	No
Total	/	/	/	/	/	73,830,471	74,729,571	899,100	/	3,336.74	/

## Notes:

1. The remuneration of the outgoing officer during the Reporting Period refers to the remuneration of the incumbent directors, supervisors or senior executives; and
2. Ms. Yang Yi-fang increased her holdings through the Shanghai Northbound Trading account.

The list of directors and their roles and functions as of 31 December 2024 is as follows:

Executive Directors: Mr. Wang Jianhua (Chairman), Ms. Yang Yi-fang, Mr. Lyu Xiaozhao, Mr. Gao Bo

Non-executive Director: Mr. Zhang Xudong

Independent Non-executive Directors: Dr. Mao Jingwen, Dr. Shen Zhengchang, Mr. Hu Nailian, Dr. Wong Yet Ping Ambrose

# CORPORATE GOVERNANCE REPORT

## (II) Employment of existing and resigned directors, supervisors and senior executives during the Reporting Period

### 1. Employment in other companies

Name of employer	Name of other companies	Position held in other companies	Date of appointment	Date of resignation
Zhang Xudong	Hua Kong Tsing Jiao Information Technology (Beijing) Co., Ltd.	Chairman and CEO	2018.09	
Mao Jingwen	Lufax Holding Ltd	Independent Director	2018.02	2024.11
	Zijin Mining Group Co., Ltd.	Independent Director	2019.12	
	Shenghe Resources Holding Co., Ltd.	Independent Director	2019.04	2024.01
Shen Zhengchang	CITIC Metal Co., Ltd.	Independent Director	2022.09	
	BGRIMM Technology Group Co., Ltd.	Chief Scientist	2020.12	
Hu Nailian	Shandong Yulong Gold Co., Ltd.	Independent Director	2025.02	
Wong Hok Bun Mario	Theme International Holdings Limited	Independent Non-executive Director	2024.12	
Wong Yet Ping Ambrose	Linkpath CPA Ltd	Director	2023.10	
Li Yan	Renmin University of China, Renmin University of China's Research Center for Microfinance	Professor and Manager	2014.01	
Guo Qingui	Lakala Payment Co., Ltd.	Independent Director	2016.12	
	DeHeng Law Offices	Partner and lawyers	2019.02	
	CECEP Guozhen Environmental Protection Technology Co., Ltd.	Independent Director	2021.01	
	XH Smart Tech (China) Co., Ltd.	Independent Director	2023.01	

# CORPORATE GOVERNANCE REPORT

(III) Remuneration of directors, supervisors and senior executives

Decision-making procedures for the remuneration of directors, supervisors and senior executives	The remuneration of directors, supervisors and senior executives of the Company shall be subject to the provisions of the Remuneration Management System for Directors, Supervisors and senior executives, which is formulated by the Remuneration and Assessment Committee of the Board of Directors, and finally decided by the general meeting after consideration and approval by the board of directors.
Whether directors should abstain from discussion regarding their remuneration matters at the board meeting	Yes
Details of the suggestions on the remuneration of directors, supervisors and senior executives issued by the Remuneration and Assessment Committee or the special meeting of independent directors	In accordance with the Articles of Association and the Remuneration Management System for Directors, Supervisors and Senior Executives, the Remuneration and Assessment Committee of the board of directors shall, in accordance with business plan, external business environment, business performance and sustainable development of the Company in 2024, determine the remuneration amount of directors and senior executives for 2024, and propose the remuneration plan for directors, supervisors and senior executives for 2025 after accounting

## CORPORATE GOVERNANCE REPORT

Basis for determining remuneration of directors, supervisors and senior executives	When determining the annual remuneration of directors, supervisors and senior executives, the Company shall determine the annual remuneration level according to the positions, responsibilities and work performance of the relevant personnel in the previous year, and refer to the income of the same industry and local similar personnel, and implement it in accordance with the provisions of the Remuneration Management System for Directors, Supervisors and Senior Executives.
Actual payment of the remuneration for directors, supervisors and senior executives	For details, please refer to the section headed "IV. (I) Changes in Share Ownership and Remuneration of Current and Former Directors, Supervisors and Senior Executives during the Reporting Period."
Total of the actual amount of remuneration gained by all directors, supervisors and senior executives at the end of reporting period	RMB 33,367,400 (before tax)

### (IV) Changes in the directors, supervisors and senior executives of the Company

Name	Position held	Changes	Reason for change
Li Yan	Independent Director	Resigned	Resignation
Guo Qingui	Independent Director	Resigned	Resignation
Wong Yet Ping Ambrose	Independent Director	Elected	Election at the general meeting

### (V) Punishments imposed by securities regulatory institutions over the past three years

☐ Applicable    ☒ Not Applicable

# CORPORATE GOVERNANCE REPORT

## IV. RELEVANT INFORMATION OF THE BOARD OF DIRECTORS HELD DURING THE REPORTING PERIOD

Session	Date of convention	Metting resolutions
The 25 <sup>th</sup> Meeting of the Eighth Board of Directors	2024.02.23	Resolution on the Use of Part of Idle Proceeds to Temporary Replenishment of Liquid Funds was considered and approved
The 26 <sup>th</sup> Meeting of the Eighth Board of Directors	2024.03.29	<p>The following Resolutions were considered and approved:</p> <p>Resolution 1: The CEO's Work Report in 2023;</p> <p>Resolution 2: Report on the Performance of Duties of the Audit Committee of the Board in 2023;</p> <p>Resolution 3: Work Report of the Board of Directors in 2023</p> <p>Resolution 4: Financial Accounts Report in 2023</p> <p>Resolution 5: Financial Budget Program in 2024;</p> <p>Resolution 6: Profit Distribution Plan in 2023</p> <p>Resolution 7: Internal Control Evaluation Report in 2023</p> <p>Resolution 8: Special Report on the Deposit and Actual Use of Proceeds in 2023</p> <p>Resolution 9: Special Report on the Self-Examination of the Independence of Independent Directors</p> <p>Resolution 10: Resolution on the Determination of Remuneration for Directors and Senior Executives in 2023 and the Remuneration Plan in 2024</p> <p>Resolution 11: The 2023 Annual Report and its summary</p> <p>Resolution 12: Environmental, Social and Governance (ESG) Report 2023</p> <p>Resolution 13: Resolution on Cancelation of Stock Appreciation Rights under the 2022 Stock Appreciation Rights Incentive Scheme</p> <p>Resolution 14: Resolution on the Re-appointment of the Audit Institution in 2024</p> <p>Resolution 15: Resolution on Carrying out Hedging Business in 2024</p> <p>Resolution 16: Resolution on the Use of Part of Idle Proceeds for Cash Management</p> <p>Resolution 17: Resolution on the Total Financing Amount in 2024</p> <p>Resolution 18: Resolution on the Total External Guarantee Amount in 2024</p> <p>Resolution 19: Resolution on Convening the 2023 Annual General Meeting</p>

# CORPORATE GOVERNANCE REPORT

Session	Date of convention	Metting resolutions
The 27th Meeting of the Eighth Board of Directors	2024.04.29	The 2024 First Quarterly Report was considered and approved
The 28th Meeting of the Eighth Board of Directors	2024.06.07	<p>The following resolutions were considered and approved:</p> <p>Resolution 1: Resolution on the Issuance of H Shares and Listing of the Company on The Stock Exchange of Hong Kong Limited</p> <p>Resolution 2: Resolution on the Plan for Issuance of H Shares and Listing of the Company on The Stock Exchange of Hong Kong Limited</p> <p>Resolution 3: Resolution on the Conversion of the Company into a Joint Stock Limited Company by offering shares overseas</p> <p>Resolution 4: Resolution on the Validity Period of the Issuance and Listing of H Shares of the Company</p> <p>Resolution 5: Resolution on the Plan of the Use of Proceeds from the Issuance of H Shares of the Company</p> <p>Resolution 6: Resolution in relation to the Report on the Use of Proceeds from the Previous Fund-Raising of the Company</p> <p>Resolution 7: Resolution on the Distribution Plan for Accumulated Profits Prior to the Issuance of H shares of the Company</p> <p>Resolution 8: Resolution on the Revision of the Confidentiality and Records Management System in relation to the Overseas Issuance and Listing of Securities of Chifeng Jilong Gold Mining Co., Ltd.</p> <p>Resolution 9: Resolution on the Proposal of Authorization to the Board of Directors of the Company and its Authorized Persons to Deal with the Matters relating to the Issuance of H shares and Listing in their Sole Discretion at the General Meeting</p> <p>Resolution 10: Resolution on the Designation of the Authorized Person of the Board of Directors</p> <p>Resolution 11: Resolution on the Engagement of an Audit Institution for the Issuance of H shares and Listing of the Company</p>



# CORPORATE GOVERNANCE REPORT

Session	Date of convention	Metting resolutions
The 29th meeting of the eighth session of the Board of Directors	2024.08.07	<p>The following resolutions were considered and approved:</p> <p>Resolution 1: Resolution on the Amendments to the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd. (Draft) and the Related Rules of Procedure Effective Upon the Issuance of H Shares</p> <p>Resolution 2: Resolution on the Amendment of the Internal Governance System of the Company Effective upon the Listing of H Shares</p> <p>Resolution 3: Resolution Regarding the Addition of Mr. Wong Yet Ping Ambrose as an Independent Director of the Eighth Session of the Board of Directors of the Company</p> <p>Resolution 4: Resolution on the Adjustment of Allowances for the Independent Directors of the Company</p> <p>Resolution 5: Resolution on Determining the Role of Directors of the Company</p> <p>Resolution 6: "Resolution on the Adjustment to the Composition of the Specialized Committees under the Eighth Session of the Board"</p> <p>Resolution 7: Resolution in Relation to the Registration of the Company as Non-Hong Kong Company in Hong Kong</p> <p>Resolution 8: Resolution on the Appointment of the Company Secretary and the Appointment of Authorized Representative of the Company</p> <p>Resolution 9: Resolution on the Convening of the First Extraordinary General Meeting of 2024</p>
the 30th meeting of the eighth session of the Board of the Directors	2024.08.30	<p>The following resolutions were considered and approved:</p> <p>Resolution 1: The 2024 Interim Report and its Summary</p> <p>Resolution 2: Resolution in relation to the Special Report of the Placement and Actual Use of the Proceeds in the First Half of 2024</p>

# CORPORATE GOVERNANCE REPORT

Session	Date of convention	Metting resolutions
The 31st meeting of the eighth session of the Board of the Directors	2024.09.06	The Resolution on Extension of Part of Proceeds Investment Projects was considered and approved
The 32nd meeting of the eighth session of the Board of the Directors	2024.10.30	The 2024 Third Quarterly Report was considered and approved
The 33rd meeting of the eighth session of the Board of the Directors	2024.12.30	<p>The following resolutions were considered and approved:</p> <p>Resolution 1: Resolution Regarding the Phase III ESOP of Chifeng Jilong Gold Mining Co., Ltd. (Draft) and its Summary</p> <p>Resolution 2: Resolution Regarding the Management Measures of Phase III ESOP of Chifeng Jilong Gold Mining Co., Ltd.</p> <p>Resolution 3: Resolution in relation to the Authorization to the Board to Handle Matters related to the Phase III ESOP of the Company</p> <p>Resolution 4: Resolution on the Closing of Investment Projects Utilizing Proceeds and the Use of Remaining Proceeds Raised for Permanently Supplementing Working Capital and Cancellation of Special Accounts</p> <p>Resolution 5: Resolution on the Convening of the First Extraordinary General Meeting of 2025</p>

## V. PERFORMANCE OF DUTIES BY DIRECTORS

### (I) The Attendance of Directors in Board Meetings and General Meetings

Unless otherwise provided in the Articles of Association, a Board meeting shall only be convened when more than half of the Directors are present. Where any Director who cannot attend for reasons may entrust another Director in writing to attend on his/her behalf. The power of attorney shall specify the name of the agent, the matters to be represented, the scope of authorization, and the period of validity. However, if Directors have an associated relationship with enterprises involved in issues to be determined in the meeting of the Board of Directors, such Directors shall not exercise the voting power on the resolution or exercise the voting power on behalf of other Directors. Failure by a Director to attend a meeting of the Board of Directors or to authorize a representative to attend the meeting on his/her behalf shall be deemed a waiver of the voting right at such meeting. The Board of Directors shall file resolutions passed at the meeting as minutes, and minutes shall be signed by the attending directors and the recorder.

# CORPORATE GOVERNANCE REPORT

During the year, the Board held four meetings and the Company held two general meetings. The attendance records of each Director at the Board meetings and general meetings held during the year are as follows:

Name of Director	Whether Independent Director	Attendance at Board meetings				Participation in general meetings		
		Number of Board Meetings Required	Attendance in person	Attendance by means of communications	Attendance by proxy	Number of absences	Whether absence from attending in person for two consecutive times	Number of general meetings attended
Wang Jianhua	No	9	9	4	0	0	No	2
Yang Yi-fang	No	9	9	6	0	0	No	2
Lyu Xiaozhao	No	9	9	5	0	0	No	2
Gao Bo	No	9	9	8	0	0	No	2
Zhang Xudong	No	9	9	7	0	0	No	2
Mao Jingwen	Yes	9	9	8	0	0	No	2
Shen Zhengchang	Yes	9	9	9	0	0	No	2
Hu Nailian	Yes	9	9	8	0	0	No	2
Wong Yet Ping Ambrose	Yes	4	4	3	0	0	No	0 <sup>(1)</sup>
Li Yan	Yes	5	5	2	0	0	No	2
Guo Qingui	Yes	5	5	5	0	0	No	2
Number of Board meetings held during the year			9					
Including: Number of on-site meetings			0					
Number of meetings held by means of telecommunications			4					
Number of meetings held on-site combined with telecommunication			5					

*Note:*

- (1) Dr. Wong Yet Ping Ambrose was appointed as an independent non-executive Director at the first extraordinary general meeting of the Company in 2024 held on 23 August 2024.

# CORPORATE GOVERNANCE REPORT

## VI. SPECIALIZED COMMITTEES UNDER THE BOARD OF DIRECTORS

(I) Members of Specialized Committees under the Board

Categories of Specialized Committees	Name of Members
Audit Committee	Wong Yet Ping Ambrose ( <i>chairman</i> ), Zhang Xudong, Hu Nailian
Nomination Committee	Hu Nailian ( <i>chairman</i> ), Lyu Xiaozhao, Shen Zhengchang, Wong Yet Ping Ambrose
Remuneration and Appraisal Committee	Hu Nailian ( <i>chairman</i> ), Yang Yi-fang, Mao Jingwen, Shen Zhengchang
Strategy and Sustainability Committee	Wang Jianhua ( <i>chairman</i> ), Yang Yi-fang, Lyu Xiaozhao, Zhang Xudong, Wong Yet Ping Ambrose

(II) Audit Committee held five meetings during the Reporting Period

Date of meeting	Content of meeting	Other particulars of performance of duties
2024/3/27	1. Report on the Performance of Duties of the Audit Committee of the Board for 2023	Reviewed the internal audit plan for 2024
	2. Report of the Audit Committee of the Board on the Performance of Supervisory Duties over the Accounting Firm in 2023	
	3. Annual Final Financial Report for 2023	
	4. Financial Budget Plan for 2024	
	5. Profit Distribution Plan for 2023	
	6. Annual Internal Control Evaluation Report for 2023	
	7. Special Report on the Deposit and Actual Use of Proceeds in 2023	
	8. Annual Financial Report for 2023	
	9. Resolution on Re-appointment of the Auditor for the Year 2024	
2024/4/27	1. 2024 First Quarterly Report	
2024/8/1	1. Resolution on Amending the Working Rules of the Audit Committee of the Board of Chifeng Jilong Gold Mining Co., Ltd. take effect upon the issuance and listing of H Shares	
2024/8/30	1. Interim Financial Report for the Year 2024	
	2. Special Report on the Deposit and Actual Use of Proceeds for the First Half of 2024	
2024/10/30	1. 2024 Third Quarterly Report	

# CORPORATE GOVERNANCE REPORT

## (III) During the Reporting Period, the Nomination Committee held 1 meeting.

Date	Contents of the Meeting
2024/8/1	<ol style="list-style-type: none"> <li>Resolution on Amending the Working Rules of the Nomination Committee of the Board of Chifeng Jilong Gold Mining Co., Ltd. Take Effect upon the Issuance and Listing of H Shares</li> <li>Resolution in relation to the Addition of Dr. Wong Yet Ping Ambrose as an independent Director of the Eighth Session of the Board of Directors of the Company</li> </ol>

## (IV) During the Reporting Period, the Remuneration and Appraisal Committee held three meetings.

Date	Contents of the Meeting
2024/2/2	<ol style="list-style-type: none"> <li>Resolution on Determining the Remuneration of Directors and Senior Management for 2023</li> <li>Resolution Regarding the Remuneration of Directors and Senior Management for the Year 2024</li> </ol>
2024/8/1	<ol style="list-style-type: none"> <li>Resolution on Amending the Working Rules of the Remuneration and Appraisal Committee of the Board of Chifeng Jilong Gold Mining Co., Ltd. Take Effect upon the Issuance and Listing of H Shares</li> <li>Resolution on Adjusting the Allowance of the Independent Directors of the Company</li> </ol>
2024/12/30	<ol style="list-style-type: none"> <li>Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd. (Draft)</li> </ol>

## (V) During the Reporting Period, the Strategy and Sustainability Committee held two meetings.

Date	Contents of the Meeting
2024/3/29	<ol style="list-style-type: none"> <li>Environmental, Social and Governance (ESG) Report for 2023</li> </ol>
2024/8/1	<ol style="list-style-type: none"> <li>Resolution on Amending to the Working Rules of the Strategy and Sustainability Committee of Board of Chifeng Jilong Gold Mining Co., Ltd. Take Effect upon the Issuance and Listing of H Shares</li> </ol>

# CORPORATE GOVERNANCE REPORT

## (V) Directors' Attendance Record on Board Committees

The attendance records of the Directors at the Board committee meetings during the year are as follows

Name	Meetings attended/Meetings held during the term of office			
	Audit Committee	Nomination Committee	Remuneration and Appraisal Committee	Strategy and Sustainability Committee
<b>Executive Directors</b>				
Mr. Wang Jianhua	–	–	–	2/2
Ms. Yang Yi-fang	–	–	3/3	2/2
Mr. Lyu Xiaozhao	–	1/1	–	2/2
Mr. Gao Bo	–	–	–	2/2
<b>Non-executive Director</b>				
Mr. Zhang Xudong	5/5	–	–	2/2
<b>Independent Non-executive Directors</b>				
Dr. Mao Jingwen	–	–	3/3	–
Dr. Shen Zhengchang	–	1/1	3/3	–
Mr. Hu Nailian	2/2	1/1	3/3	–
Dr. Wong Yet Ping Ambrose (appointed as an independent non-executive director on 23 August 2024)	2/2	N/A	–	N/A
Dr. Li Yan (resigned as an independent non-executive director on 23 August 2024)	3/3	–	–	–
Mr. Guo Qingui (resigned as an independent non-executive director on 23 August 2024)	3/3	1/1	2/2	–



## CORPORATE GOVERNANCE REPORT

### (VII) Audit Committee

The primary duties of the Audit Committee include, but are not limited to: (i) proposing the appointment or change of external auditors to the Board, and reviewing the qualification, independence and performance of the external auditors; (ii) guiding and assessing internal audit work; (iii) evaluating the performance of the audit function and personnel; (iv) examining the authenticity of financial information of our Company, reviewing financial reports and statements of our Company and giving comments on relevant matters; (v) guiding, reviewing and evaluating the effectiveness of risk management and internal control system; (vi) evaluating whether our Company has any major internal control defaults or deficiencies; (vii) reviewing results of internal investigations and responses from management in relation to any suspected dishonesty, non-compliances, or suspected violations of laws, rules and regulations; (viii) coordinating the communication among management, internal audit department, related departments and external audit agency; and (ix) dealing with other matters as required by laws, regulations, rules, the Articles of Association, terms of reference and applicable securities regulatory authorities, and other matters that are authorized by the Board. Details of the work of the Audit Committee are available on the websites of the Company and HKExnews.

The Audit Committee has reviewed and confirmed the audited consolidated financial statements contained in this report and discussed with the management about the Company's financial statements and internal controls. The Audit Committee is of the opinion that the financial statements have been prepared in conformity with applicable accounting standards and regulations and that appropriate disclosures have been made.

The Audit Committee is also aware of the existing risk management and internal control systems of the Group and that such systems will be reviewed on an annual basis.

## CORPORATE GOVERNANCE REPORT

During this year, the work highlights of the Audit Committee include:

- Reviewing and approving the Company's profit distribution and dividend payment plan for the year 2023, and ensuring the legality and compliance of the profit distribution;
- Reviewing the Company's financial final report for the year 2023 and the financial budget plan for the year 2024, and ensuring the scientific and reasonable nature of the budgetary work;
- Reviewing the financial statements for the year 2023 and management statements and results announcements issued by external auditors, and ensuring the truthfulness and completeness of the annual financial data disclosed externally;
- Reviewing the Company's 2023 internal control evaluation report and reviewing the effectiveness of internal control;
- Reviewing and agreeing with the re-appointment of the auditor for the year 2024 and determining the relevant audit fees;
- Reviewing the Company's 2024 interim financial statements, statement and results announcement to ensure the truthfulness and completeness of the data in the financial disclosure;
- Reviewing the Company's 2024 Interim Report to ensure the truthfulness and reasonableness of the data in the Interim Report;
- Reviewing the reasonableness of the annual external auditor's annual audit plan and approving the implementation of the audit plan; and
- Inviting the external auditor to meetings to discuss the 2023 Annual Results and the 2024 Interim Results.



# CORPORATE GOVERNANCE REPORT

## (VIII) Nomination Committee

The primary duties of the Nomination Committee include, but are not limited to: (i) reviewing the structure, composition and diversity of our Board at least once a year with reference to the Company's business activities, scale of assets and shareholding structure, and making recommendations to the Board on any change in Board composition in accordance with the Company's strategies; (ii) making recommendations on the appointment and re-appointment of the Directors (in particular, the chairperson of the Board, and including the non-executive Directors and independent non-executive Directors) and the general manager; (iii) conducting extensive search and providing to the Board suitable candidates for Directors, general managers and other members of the senior management; (iv) evaluating the independence of the independent non-executive Directors, the performance of the Directors (including both executive and non-executive Directors) and whether the Directors have devoted sufficient time in performing their duties; (v) developing corporate governance standards and procedures and monitoring the implementation of such standards and procedures, and making recommendations to the Board; (vi) formulating and evaluating the Board diversity policy, and making disclosures in the corporate governance report (which shall be included as part of our annual report) the relevant policies, including the nomination procedures adopted by the nomination committee and standards for the election of the Board members; and (vii) dealing with other matters as required by laws, regulations, rules, the Articles of Association of the Company, terms of reference and applicable securities regulatory authorities, and other matters that are authorized by the Board. Details of the work of the Nomination Committee are available on the websites of the Company and HKExnews.

During the Year, the Nomination Committee mainly performed the following tasks: assessing the suitability of the candidates nominated for the appointment as Directors or senior management of the Company and making recommendations to the Board on the appointment of the above personnel, and reviewing the composition of the Board in accordance with the requirements of the Board Diversity Policy of the Company.

### *Nomination of Directors*

In accordance with the Articles of Association, candidates of Directors shall be nominated or recommended by the existing Board or in the form of proposal by Shareholder(s) individually or in aggregate holding more than 3% of the Shares of the Company (for candidates of Directors), and by Shareholder(s) individually or in aggregate holding more than 1% of the Shares of the Company (for candidates of independent directors). The Nomination Committee shall verify the qualifications and conditions of the candidates of Directors, submit it to the Board for consideration on the appointment of the candidate upon determination, and a written resolution shall be proposed at a general meeting for approval by resolutions passed by the Board.

# CORPORATE GOVERNANCE REPORT

## (IX) Remuneration and Appraisal Committee

The primary duties of the Remuneration and Appraisal Committee include but are not limited to: (i) formulating the overall remuneration policy and structure of the Company's Directors, Supervisors and members of the senior management, formulating proper and transparent remuneration procedures, and making suggestions to the Board; (ii) formulating individual remuneration plans for Directors, Supervisors and members of the senior management in accordance with the terms of reference of the job responsibilities, the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies; (iii) reviewing and approving remuneration proposals of members of our senior management in accordance with the Company's policies and objectives as approved by the Board from time to time; (iv) making recommendations to the Board on remuneration of the non-executive Directors (including independent non-executive Directors), Supervisors, advisors to the Board (if any) and committees of the Board; (v) reviewing and approving compensation payable to the executive Directors, Supervisors and members of senior management for loss or termination of office or appointment, so as to ensure that such compensation is consistent with the terms of relevant contracts, and if such compensation is not determined in accordance with the relevant contract terms, compensation should be fair, reasonable and not excessive; (vi) examining the criteria of performance evaluation of Directors and the senior management of the Company, and conducting annual performance evaluation; (vii) supervising the implementation of the remuneration plan of the Company; (viii) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules; and (ix) dealing with other matters as required by laws, regulations, rules, the Articles of Association of the Company, terms of reference and applicable securities regulatory authorities, and other matters that are authorized by the Board.

### *Directors' Remuneration Policy*

The Company provided remuneration in the form of salaries, allowances, social security, housing funds, performance bonus and benefits in kind to executive Directors and senior management members; provided remuneration to the non-executive Directors; and provided director's fee to the independent non-executive Directors with reference to the industry conditions and the actual situation of the Company's production and operation.

The Company will regularly review its remuneration based on the Company's development and operations and recommend remuneration adjustments where appropriate and seek the Board's endorsement for and Shareholders' approval of any recommended changes.

## CORPORATE GOVERNANCE REPORT

In accordance with the Code Provision E.1.5 of the Corporate Governance Code, the remunerations of the Directors, Supervisors and senior management by remuneration band for the year ended 31 December 2024 are set out below:

<b>No.</b> <sup>(Notes)</sup>	<b>Remuneration band (RMB)</b>	<b>Number of persons</b>
1	0–1,000,000	10
2	1,000,001–2,000,000	1
3	3,000,001–4,000,000	3
4	4,000,001–5,000,000	2
5	5,000,001–6,000,000	2

*Notes:*

No.1 includes 7 directors and 3 supervisors;

No.2 includes 1 senior management;

No.3 includes 1 director and 2 senior management;

No.4 includes 1 director and 1 senior management; and

No.5 includes 2 directors.

Further details of the remunerations of the Directors and the five highest-paid employees as required to be disclosed under Appendix D2 to the Hong Kong Listing Rules are set out in Note XVI. 3 to the financial statements for the Year.

### (X) Strategy and Sustainability Committee

The primary duties of the Strategy and Sustainability Committee include, but are not limited to: (i) conducting extensive research and making recommendations on the long-term strategic development plans of the Company, in particular, to enhance the Company's sustainability in areas of ESG; (ii) conducting research and providing recommendations on major investment activities and financing proposals that are subject to the approval by the Board in accordance with the Articles of Association; (iii) conducting extensive research and furnishing recommendations on major capital financing and asset management projects that are required to be approved by the Board as stipulated in the Articles of Association; (iv) conducting extensive research, evaluating and supplementing recommendations to pivotal ESG trends and associated risks and opportunities that the Company faces; (v) overseeing the formulation and implementation of the Company's ESG objectives, among others, setting performance goals in respect of the Company's ESG management, tracking the progress towards the achievement of the goals and advising on the forthcoming measures to meet the goals; and (vi) dealing with other matters that are crucial to the development of the Company.

# CORPORATE GOVERNANCE REPORT

## VII. DESCRIPTION OF RISKS IDENTIFIED BY THE SUPERVISORY COMMITTEE

The Supervisory Committee raised no objection to the monitoring issues during the Reporting Period.

## VIII. EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

### (I) Employee information

Number of employees of the parent company	67
Number of current employees in the major subsidiaries	6,844
Total number of employees in service	6,911
Number of retired employees for whom the parent company and its subsidiaries need to bear the expenses	0
Composition of professions	
Category of professional composition	Number of professionals
Production personnel	5,014
Sales personnel	5
Technical personnel	847
Financial personnel	60
Administrative and managerial personnel	985
Total	6,911
Education level	
Education level category	Quantity (person)
Postgraduate qualification	111
Bachelor degree	641
Below bachelor's degree	6,159
Total	6,911

### (II) Remuneration Policy

The Company formulated the implementation measures for remuneration management in accordance with relevant national laws and regulations and in light of its actual situation to regulate the remuneration management of the Company, fully drive the motivation and innovation of the employees, improv work efficiency and attract excellent talents.

The remuneration management of the Company realizes the sound remuneration strategy, and its remuneration scale is competitive among the comparable companies in the same industry. In addition to the sound remuneration strategy, it takes into full consideration the degree of influence, the contribution value and responsibility of the positions on the development goals of the Company when determining the internal salary scale of the positions so as to fairly and reasonably determine the position hierarchy, formulate the salary of the positions, and promote the salary to higher level. Furthermore, the employees' salary management and performance assessment of the Company are related to each other, and the salary is linked to the performance of the positions, stimulating the potential of the employees in the position and giving full play to their individual abilities.



# CORPORATE GOVERNANCE REPORT

(III) Training Plan

- 1. According to the employee recruitment situation, pre-job training for newly hired employees will be arranged in a timely manner. On-the-job training is conducted through face-to-face instruction and experiential methods, allowing new employees not only to understand the Company's various rules and regulations and business processes but also to visit the mines in person, gain knowledge about mining, and experience the frontline production environment.
- 2. Conduct on-the-job training for employees. According to work arrangements and specific circumstances, on-the-job training is conducted irregularly. This training includes corporate compliance construction, network information security, internal control systems, corporate culture, skill enhancement, mining knowledge, safety, and environmental protection. The training format mainly focuses on internal training, led by the Human Resources Management Department. Practical experts and scholars are invited from society and universities to conduct in-depth and systematic training on certain content, allowing trainees to learn more cutting-edge professional knowledge. At the same time, internal trainers are cultivated to create an intrinsic motivation for organizational development and employee growth.
- 3. Cooperate with professional colleges and research institutions to conduct on-the-job academic education and technical exchanges and training for professional technical personnel through correspondence and collaborative education.
- 4. In accordance with the Company's international business expansion, the Company timely implements international mining talent development programs and related language training plans to support the sustainable development of its business overseas. At the same time, based on the cultural background of overseas projects, the Company will carry out a variety of cultural exchange training to enhance the integration of human resource management concepts and culture between the parent company and overseas subsidiaries.

(IV) Labor Outsourcing

Total number of working hours of outsourced labor (hours)	661,384
Total remuneration paid for labor outsourcing (RMB ten thousand)	643.14

# CORPORATE GOVERNANCE REPORT

## IX. PROPOSAL FOR PROFIT DISTRIBUTION OR CONVERSION OF CAPITAL RESERVES INTO SHARE CAPITAL

(I) Formulation, execution or adjustment of cash dividend policy

The Company has formulated a specific profit distribution policy and incorporated it into the Articles of Association, clarifying the forms of profit distribution, the specific conditions and proportions for cash dividends, as well as the decision-making mechanisms and procedures for profit distribution, in compliance with the provisions of the Company Law and the China Securities Regulatory Commission’s Regulatory Guidelines No. 3 for Listed Companies – Distribution of Cash Dividends of Listed Companies and other relevant laws, regulations, and normative documents. During the Reporting Period, the Company did not make any adjustments or changes to its cash dividend policy.

In accordance with the Listed Companies Regulatory Guidance No. 3 – Distribution of Cash Dividends of Listed Companies, the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies No. 1 – Standardized Operation, and other relevant laws, administrative regulations, departmental rules, normative documents, and the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd., the Company has formulated the Shareholders’ Return Plan of Chifeng Jilong Gold Mining Co., Ltd. for the Three Years of 2025 to 2027.

The profit distribution plan for the year 2024, as reviewed by the Board of Directors, is as follows: the Company proposes to distribute a cash dividend of RMB1.60 (tax inclusive) for every 10 shares to all shareholders who are eligible for profit distribution on the record date determined by the implementation announcement of the profit distribution for the year 2024. The remaining undistributed profits will be carried forward to future distributions, and the actual amount of cash dividends to be distributed will be determined based on the number of shares on the record date. There will be no distribution of bonus shares or conversion of capital reserve into share capital for the year 2024 by the Company. The profit distribution plan for 2024 is subject to consideration and approval at the general meeting.

(II) Special explanation of the cash dividend policy

Whether it complies with the provisions of the Articles of Association or the requirements of the resolutions of the general meeting	✓ Yes <input type="checkbox"/> No
Whether the criteria and proportion of dividend distribution are clear and explicit	✓ Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	✓ Yes <input type="checkbox"/> No
Whether the independent directors have duly performed their duties and played their due roles	✓ Yes <input type="checkbox"/> No
Whether minority shareholders have sufficient opportunities to express their opinions and requests, and whether their legitimate rights and interests are fully protected	✓ Yes <input type="checkbox"/> No

# CORPORATE GOVERNANCE REPORT

## (III) Resolutions of Profit Distribution and Transfer of Capital Reserves to Share Capital during the Reporting Period

Unit: Yuan Currency: RMB

Number of bonus shares to be distributed per 10 shares (shares)	0
Dividends per 10 shares (yuan) (tax inclusive)	1.60
Number of shares to be converted into share capital per 10 shares (shares)	0
Cash dividend amounts (tax inclusive)	299,130,140.48
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements	1,764,339,650.99
Percentage of cash dividend amounts to net profit attributable to ordinary shareholders of the listed company in the consolidated statements (%)	16.95
Cash offer to repurchase shares into cash dividends	0
Total dividend amounts (tax inclusive)	299,130,140.48
Percentage of the total dividend amounts to the net profit attributable to ordinary shareholders of listed companies in the consolidated financial statements (%)	16.95

## (IV) Cash Dividends for the Latest Three Accounting Years

Unit: Yuan Currency: RMB

Cumulative cash dividends for the latest three accounting years (tax inclusive) (1)	381,566,579.38
Cumulative repurchase and cancelation for the latest three fiscal years (2)	0
Cumulative cash dividends and repurchases and cancelations in the latest three accounting years (3) = (1) + (2)	381,566,579.38
Average annual net profit amount for the latest three accounting years (4)	1,006,462,895.55
Percentage of cash dividend (%) for the latest three accounting years (5) = (3)/(4)	37.91%
Net profit attributable to ordinary shareholders of the listed company in the consolidated statements for the latest accounting year	1,764,339,650.99
Undistributed profits at the end of the parent company's statements for the latest accounting year	2,356,024,316.66

# CORPORATE GOVERNANCE REPORT

## X. EQUITY INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY AND THEIR IMPACT

(I) Relevant incentive events disclosed in the temporary announcements without further development or change in subsequent implementation

Summary	Index
<p>On 29 March 2024, the Company held the 26th meeting of the eighth session of the Board and the 17th meeting of the seventh session of the Supervisory Committee to consider and approve the “Proposal on Cancelling the Stock Appreciation Rights under the 2022 Share Appreciation Rights Incentive Plan (《關於註銷 2022 年股票增值權激勵計劃股票增值權的議案》)”, which agreed to cancel a total of 1.8 million stock appreciation rights that have been granted but not yet exercised by 7 incentive targets who failed to achieve the assessment targets in the two accounting years of 2022-2023 during the two exercise periods.</p>	<p>The “Chifeng Gold Announcement on the Cancellation of the Stock Appreciation Rights under the 2022 Stock Appreciation Rights Incentive Plan” (《赤峰黃金關於註銷 2022 年股票增值權激勵計劃股票增值權的公告》) (Announcement No.: 2024-020) published on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the designated information disclosure media on 30 March 2024.</p>
<p>On 9 October 2024, the Company disclosed the “Chifeng Gold Announcement on the Completion of the Sale of Shares under the Second Phase Employee Stock Ownership Plan (《赤峰黃金關於第二期員工持股計劃股票出售完畢的公告》)”. As of 30 September 2024, all 16,575,406 shares of the Company held by its second phase employee stock ownership plan had been sold out through centralised bidding transactions.</p>	<p>The “Chifeng Gold Announcement on the Completion of the Sale of Shares under the Second Phase Employee Stock Ownership Plan (《赤峰黃金關於第二期員工持股計劃股票出售完畢的公告》)” (Announcement No.: 2024-063) published on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the designated information disclosure media on 9 October 2024.</p>

# CORPORATE GOVERNANCE REPORT

## Summary

## Index

The Company held the 33rd meeting of the 8th session of the Board on 30 December 2024, and reviewed and approved the “Proposal on the <Chifeng Jilong Gold Mining Co., Ltd. Third Phase Employee Stock Ownership Plan (Draft)> and its Summary (《關於<赤峰吉隆黃金礦業股份有限公司第三期員工持股計劃(草案)>及其摘要的議案》)”, “Proposal on the <Chifeng Jilong Gold Mining Co., Ltd. Third Employee Stock Ownership Plan Management Measures> (《關於<赤峰吉隆黃金礦業股份有限公司第三期員工持股計劃管理辦法>的議案》)”, “Proposal on Submitting the Matters Related to the Company’s Third Phase Employee Stock Ownership Plan to the General Meeting to Authorize the Board to Handle (《關於提請股東大會授權董事會辦理公司第三期員工持股計劃有關事項的議案》)” and other proposals; on the same day, the Company held a staff representative meeting to review and approve the “Proposal on the <Chifeng Jilong Gold Mining Co., Ltd. Third Phase Employee Stock Ownership Plan (Draft)> and its Summary “.

The “Chifeng Gold Announcement on the Resolution of the 33rd Meeting of the Eighth Session of the Board (《赤峰黃金第八屆董事會第三十三次會議決議公告》) \_ (Announcement No.: 2024-069)” and “Chifeng Gold Announcement on the Resolution of the Employees’ Representative Meeting (《赤峰黃金職工代表大會決議公告》) (Announcement No.: 2024-071)” published on the Shanghai Stock Exchange website (www.sse.com.cn) and the designated information disclosure media on 31 December 2024.

## (II) Appraisal Mechanism for Senior Management and Establishment and Implementation of Incentive Mechanism during the Reporting Period

During the Reporting Period, the Company strictly implemented the established relevant internal control systems including “Remuneration Management System for Directors, Supervisors, and Senior Management (《董事、監事、高級管理人員薪酬管理制度》)”. The Remuneration and Appraisal Committee of the Board conducted assessments for senior management within the authorised scope by the general meeting and the Board.

## XI. ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

For details, please refer to the 2024 Internal Control Evaluation Report (《2024 年度內部控制評價報告》) of the Company published on the website of the Shanghai Stock Exchange.

## CORPORATE GOVERNANCE REPORT

### XII. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

By exercising its shareholder rights in accordance with the law, the Company formulated or participated in establishment of the organisational structure of subsidiaries and appointed core management; at the business level, it established an authorisation and approval system, which clarifies the business scope and approval authority of subsidiaries to implement management control over activities related to the financial reports of subsidiaries and conduct review and supervision for major issues concerning subsidiaries; at the same time, the Company made full use of its initiative and proactivity based on its development targets through empowering and effectively inciting management of subsidiaries, so as to ensure the Company achieved its overall objectives while subsidiaries accomplished its responsibility goals.

### XIII. RELEVANT EXPLANATIONS ON THE AUDIT REPORT OF INTERNAL CONTROL

Ernst & Young Hua Ming LLP, engaged by the Company, conducted an independent audit on the Company's internal control and issued a standard unqualified audit report, as detailed in the "Audit Report on Internal Control 《內部控制審計報告》" of the Company published on the Shanghai Stock Exchange website.

Whether the Company had disclosed its internal control audit report: Yes

Type of opinion of the audit report of internal control: standard unqualified opinion

### XIV. RECTIFICATION OF SELF-INSPECTION PROBLEMS IN THE SPECIAL ACTION ON GOVERNANCE OF LISTED COMPANIES

In compliance with the idea of the "Announcement on Carrying out Special Action on Corporate Governance of Listed Companies 《關於開展上市公司治理專項行動的公告》" (China Securities Regulatory Commission Announcement 2020 No. 69) and the "Notice on Carrying out Special Action on Corporate Governance of the Inner Mongolia Securities Regulatory Bureau 《內蒙古證監局關於開展上市公司治理專項行動的通知》" (Nei Zheng Jian Han 2021 No. 85), the Company has conducted a comprehensive self-examination of corporate governance throughout the entire company, with strict reference to the self-examination items from the "Special Action on Governance of Listed Companies", based on the Company Law and other relevant laws and regulations, as well as internal rules and regulations including the Articles of Association. The Company completed the self-examination on time and as required with focuses on checking each aspect against the requirements, including the fund occupation by controlling shareholders, related party transactions and external guarantees, the operation of the "three meetings and one layer," information disclosure and investor relations, and the construction of the internal control regulatory system.

The governance of the Company in 2024 is basically consistent with the requirements of normative documents including the Code of Corporate Governance for Listed Companies, maintaining good governance. The Company will continue to implement the idea of the "Opinions of the State Council on Further Improving the Quality of Listed Companies 《國務院關於進一步提高上市公司質量的意見》" (Guo Fa 2020 No. 14) and the specific requirements of regulatory authorities, with adherence to standardised governance as the foundation and corporate culture construction as a carrier to continuously maintain the standardised operation of the "three meetings", in contribution to improve internal control systems, enhance transparency and strengthen independence in addition to promoting its high-quality and healthy development.



# CORPORATE GOVERNANCE REPORT

## XV. AUDITOR AND ITS REMUNERATION

Remuneration paid or payable to the Auditor of the Company for the Reporting Period are as follows:

Services provided	Fee paid or payable RMB'000
Audit fee	3,000

## XVI. COMPANY SECRETARY

For biographical details of Mr. Wong Hok Bun Mario are set out in the section headed “Brief Biography Of Directors, Supervisors And Senior Management”.

In compliance with Rule 3.29 of the Hong Kong Listing Rules, Mr. Wong Hok Bun Mario has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2024.

# AUDITOR'S REPORT

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)



Ernst & Young Hua Ming LLP  
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Ernst & Young Hua Ming (2025) Shen Zi No. 70059664\_A01  
Chifeng Jilong Gold Mining Co., Ltd.

**To the shareholders of Chifeng Jilong Gold Mining Co., Ltd.:**

## I. AUDIT OPINION

We have audited the financial statements of Chifeng Jilong Gold Mining Co., Ltd. (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated and company statements of financial position as at 31 December 2024, and the consolidated and company statements of profit or loss, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the financial statements of Chifeng Jilong Gold Mining Co., Ltd. give a true and fair view of, in all material respects, the consolidated and company financial position as at 31 December 2024, and the consolidated and the company financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

## II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing (“CSAs”). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with *China Code of Ethics for Certified Public Accountants* (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

# AUDITOR’S REPORT

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Ernst & Young Hua Ming (2025) Shen Zi No. 70059664\_A01  
Chifeng Jilong Gold Mining Co., Ltd.

## III. KEY AUDIT MATTERS (CONTINUED)

Key audit matter:	How our audit addressed the key audit matter:
<p><i>Revenue recognition</i></p> <p>For the year ended 31 December 2024, Chifeng Jilong Gold Mining Co., Ltd. realised revenue with the amount of RMB9.03 billion.</p> <p>The Group is principally engaged in the gold and non-ferrous metal mining and integrated resource recycling business, and recognises revenue from the sale of various precious and non-ferrous metals such as gold, copper cathodes and the provision of integrated resource recycling services. Revenue is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.</p> <p>There might be risk of material misstatement of revenue recognition because revenue is one of the key performance indicators of the Group.</p> <p>The relevant accounting policy and notes disclosure were included in “Note III, Significant accounting policies and accounting estimates” 22 – Revenue and “Note V, Notes to items of the consolidated financial statements” 42 – Revenue and cost of sales.</p>	<p>We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the revenue recognition process.</p> <p>Among other audit procedures performed, we understood the terms of the sales contracts, checked whether the revenue recognition was based on the terms of the sales contracts, and evaluated the accounting policies of the revenue recognition to be in compliance with the provisions of the Accounting Standards for Business Enterprises. We performed tests of details by examining the supporting documents related to the revenue recognition, which included, amongst others, the sales contracts, the delivery orders, invoices and sales receipts. We understood and analysed the reasons for the fluctuations of revenue among the periods. In addition, we performed cut-off tests on the revenue to verify whether it was recognised in the correct accounting periods.</p> <p>We also assessed the adequacy of the disclosures regarding the revenue recognition.</p>

# AUDITOR'S REPORT

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Ernst & Young Hua Ming (2025) Shen Zi No. 70059664\_A01  
Chifeng Jilong Gold Mining Co., Ltd.

## III. KEY AUDIT MATTERS (CONTINUED)

Key audit matter:	How our audit addressed the key audit matter:
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*Impairment of fixed assets, construction in progress and intangible assets*

At 31 December 2024, the Group held fixed assets with the amount of RMB6.40 billion; construction in progress with the amount of RMB0.68 billion; and intangible assets with the amount of RMB6.32 billion. At 31 December 2024, the aggregate amount of the fixed assets, construction in progress and intangible assets accounted for 66% of the Group's total assets.

Management is required to review the aforementioned assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Due to the fact that some mines were in the status of production suspension for technical transformation during this year, management performed an impairment assessment on such asset by determining the recoverable amounts of the cash-generating units ("CGUs") that the assets are allocated to. As a result of the impairment assessment, there was no impairment losses recognised for the year ended 31 December 2024.

Auditing management's impairment assessment of the aforementioned assets was complex due to the significant estimates and judgements of the management involved in the projections of future cash flows, including the reserves, future production plan, future sales volumes, sales prices, production costs and discount rates. These estimates and judgements may be significantly affected by changes in future market or economic conditions.

The accounting policies, significant accounting judgements and accounting estimates, and related financial statement disclosures are described in "Note III, Significant accounting policies and accounting estimates" under 12 – Fixed assets, 13 – Construction in progress, 15 – Intangible assets, 16 – Impairment of assets and 28 – Impairment of non-current assets other than financial assets (excluding goodwill), and "Note V, Notes to items of the consolidated financial statements" under 11 – Fixed assets, 12 – Construction in progress, 14 – Intangible assets and 52 – Asset impairment losses.

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the asset impairment assessment process.

Among other audit procedures performed, we understood and evaluated management's identification of CGUs and assessment of impairment indicators, compared the methodology used by the Group to industry practice and tested the underlying data used in the forecast by examining historical data. We also assessed the significant assumptions used in the calculations, which included, amongst others, reserves, future production plan, future sales volumes, sales prices, production costs and discount rates. In addition, we involved our internal valuation specialists to assist us in assessing the valuation methodologies and the assumptions used, including the discount rates.

We also assessed the adequacy of the Group's disclosures regarding the impairment assessment.

# AUDITOR'S REPORT

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

Ernst & Young Hua Ming (2025) Shen Zi No. 70059664\_A01  
Chifeng Jilong Gold Mining Co., Ltd.

## IV. OTHER INFORMATION

The management of the Group is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of the Group is responsible for the preparation of the financial statements that give a true and fair view in accordance with Accounting Standards for Business Enterprises, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

# AUDITOR'S REPORT

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

Ernst & Young Hua Ming (2025) Shen Zi No. 70059664\_A01  
Chifeng Jilong Gold Mining Co., Ltd.

## VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



# AUDITOR'S REPORT

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

Ernst & Young Hua Ming (2025) Shen Zi No. 70059664\_A01  
Chifeng Jilong Gold Mining Co., Ltd.

## VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Ernst & Young Hua Ming LLP

*Chinese Certified Public Accountant: HE XIN  
(Engagement partner)*

*Chinese Certified Public Accountant: ZHANG YU*

Beijing, the People's Republic of China

28 March 2025

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

ASSETS	Note V	31 December 2024	31 December 2023
<b>Current assets:</b>			
Cash and bank balances	1	2,747,442,442.93	1,662,283,423.20
Financial assets held for trading	2	9,998,984.68	16,909,469.31
Derivative financial assets	3	5,251,800.00	13,470,040.00
Trade receivables	4	587,165,738.54	513,213,184.61
Prepayments	5	276,484,571.30	83,944,159.32
Other receivables	6	96,187,623.04	95,539,876.98
Inventories	7	2,540,318,023.51	2,406,909,238.08
Other current assets	8	141,333,280.01	103,110,739.87
<b>Total current assets</b>		<b>6,404,182,464.01</b>	4,895,380,131.37
<b>Non-current assets:</b>			
Long-term receivables	9	1,190,808.13	2,865,414.93
Long-term equity investments	10	3,955,645.67	373,480,577.43
Fixed assets	11	6,399,516,327.75	5,821,912,823.93
Construction in progress	12	677,866,937.65	592,313,143.29
Right-of-use assets	13	206,797,707.37	237,829,450.52
Intangible assets	14	6,318,994,537.74	6,525,356,749.55
Goodwill	15	41,968,889.08	41,968,889.08
Long-term deferred expenses	16	350,312.50	399,062.50
Deferred tax assets	17	67,228,646.44	17,482,453.95
Other non-current assets	18	206,516,336.78	208,804,052.90
<b>Total non-current assets</b>		<b>13,924,386,149.11</b>	13,822,412,618.08
<b>Total assets</b>		<b>20,328,568,613.12</b>	18,717,792,749.45
<b>Current liabilities:</b>			
Short-term borrowings	20	1,108,199,165.67	850,009,317.45
Financial liabilities held for trading	21	707,020,000.00	939,996,400.00
Trade payables	22	684,571,183.74	552,457,258.75
Contract liabilities	23	56,598,949.03	73,177,273.05
Employee benefits payable	24	171,273,575.15	174,858,614.95
Taxes payable	25	698,951,345.10	472,985,750.24
Other payables	26	225,263,620.79	316,105,510.91
Non-current liabilities due within one year	27	398,463,926.07	341,631,615.55
Other current liabilities	28	672,771.76	1,187,306.36
<b>Total current liabilities</b>		<b>4,051,014,537.31</b>	3,722,409,047.26

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

ASSETS	Note V	31 December 2024	31 December 2023
<b>Non-current liabilities:</b>			
Long-term borrowings	29	599,502,985.86	1,421,974,104.54
Lease liabilities	30	179,596,024.47	207,219,488.59
Long-term payables	31	59,167,832.67	62,474,516.56
Provisions	32	1,783,633,263.08	1,868,099,285.60
Deferred income	33	6,838,500.83	1,755,500.75
Deferred tax liabilities	17	2,329,605,255.27	2,314,654,102.90
Other non-current liabilities	34	596,094,797.55	576,998,558.54
<b>Total non-current liabilities</b>		<b>5,554,438,659.73</b>	6,453,175,557.48
<b>Total liabilities</b>		<b>9,605,453,197.04</b>	10,175,584,604.74
<b>Shareholders' equity:</b>			
Share capital	35	1,663,911,378.00	1,663,911,378.00
Capital reserve	36	626,736,519.64	927,523,563.85
Less: Treasury shares	37	220,015,940.99	520,802,985.20
Other comprehensive income	38	145,710,300.63	64,708,488.77
Special reserve	39	3,347,876.91	1,431,986.36
Surplus reserve	40	269,782,850.97	203,724,471.82
Retained earnings	41	5,427,338,050.01	3,811,493,217.07
Equity attributable to owners of the parent		7,916,811,035.17	6,151,990,120.67
Non-controlling interests		2,806,304,380.91	2,390,218,024.04
<b>Total shareholders' equity</b>		<b>10,723,115,416.08</b>	8,542,208,144.71
<b>Total liabilities and shareholders' equity</b>		<b>20,328,568,613.12</b>	18,717,792,749.45

The financial statements were signed by:

Legal representative:  
**Mr. Wang Jianhua**

Principal in charge of accounting:  
**Mr. Wong Hok Bun Mario**

Head of accounting department:  
**Ms. Guo Zhenzhen**

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note V	2024	2023
Revenue	42	9,025,821,822.22	7,220,951,536.26
Less: Cost of sales	42	5,068,770,478.41	4,868,615,073.33
Taxes and surcharges	43	473,039,848.61	389,017,743.62
Selling expenses	44	348,745.14	689,058.34
Administrative expenses	45	492,286,721.36	461,372,054.59
Research and development expenses	46	63,615,898.70	51,752,511.95
Financial expenses	47	155,363,874.45	193,139,295.18
Including: Interest expenses		208,992,302.95	215,026,005.65
Interest income		38,389,697.15	26,322,305.17
Add: Other income	48	2,649,096.76	17,259,581.15
Investment income	49	78,893,850.40	13,500,965.81
Including: Share of profits of associates and joint ventures		7,194,112.43	9,949,884.57
Losses on changes in fair value	50	(26,345,013.94)	(71,343,155.46)
Credit impairment gains/(losses)	51	1,666,368.75	(2,440,041.07)
Impairment losses on assets	52	(4,897,057.61)	(3,515,914.93)
Losses on disposal of non-current assets	53	(51,568.59)	(1,752,179.77)
Operating profit		2,824,311,931.32	1,208,075,054.98
Add: Non-operating income	54	1,035,053.08	1,148,042.18
Less: Non-operating expenses	55	5,944,891.02	2,966,125.01
Profit before tax		2,819,402,093.38	1,206,256,972.15
Less: Income tax expenses	56	833,437,504.30	335,209,980.20
Net profit		1,985,964,589.08	871,046,991.95
Classification according to the continuity of operations			
Net profit from continuing operations		1,985,964,589.08	871,046,991.95
Attributable to			
Owners of the parent		1,764,339,650.99	803,933,636.60
Non-controlling interests		221,624,938.09	67,113,355.35

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note V	2024	2023
Other comprehensive income, net of tax	38	108,863,230.64	109,453,224.65
Other comprehensive income attributable to owners of the parent, net of tax		81,001,811.86	79,054,729.02
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		81,001,811.86	79,054,729.02
Exchange differences arising from translation of financial statements denominated in foreign currencies		81,001,811.86	79,054,729.02
Other comprehensive income attributable to non-controlling interests, net of tax		27,861,418.78	30,398,495.63
Total comprehensive income		2,094,827,819.72	980,500,216.60
Attributable to			
Owners of the parent		1,845,341,462.85	882,988,365.62
Non-controlling interests		249,486,356.87	97,511,850.98
Earnings per share			
Basic earnings per share	61	1.07	0.49
Diluted earnings per share	61	1.07	0.49

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	For the year ended 31 December 2024									
	Attributable to shareholders of the parent					Non-controlling interests				
	Share capital	Capital reserve	Treasury shares	Less: comprehensive income	Other income	Special reserve	Surplus reserve	Retained earnings	Sub-total	Total equity
<b>I. Opening balance of the current year</b>	1,663,911,378.00	927,523,563.85	520,802,985.20	64,708,488.77	1,431,986.36	203,724,471.82	3,811,493,217.07	6,151,990,120.67	2,390,218,024.04	8,542,208,144.71
<b>II. Changes for the year</b>	-	(300,787,044.21)	(300,787,044.21)	81,001,811.86	1,915,890.55	66,058,379.15	1,615,844,832.94	1,764,820,914.50	416,086,356.87	2,180,907,271.37
(I) Total comprehensive income	-	-	-	81,001,811.86	-	-	1,764,339,650.99	1,845,341,462.85	249,486,356.87	2,094,827,819.72
(II) Shareholders' contributions and reductions in capital	-	-	-	-	-	-	-	-	166,600,000.00	166,600,000.00
1. Capital contributed by owners	-	-	-	-	-	-	-	-	166,600,000.00	166,600,000.00
(III) Profit distributions	-	-	-	-	-	66,058,379.15	(148,494,818.05)	(82,436,438.90)	-	(82,436,438.90)
1. Transfer to surplus reserve	-	-	-	-	-	66,058,379.15	(66,058,379.15)	-	-	-
2. Distributions to shareholders	-	-	-	-	-	-	(82,436,438.90)	(82,436,438.90)	-	(82,436,438.90)
(IV) Special reserve	-	-	-	-	1,915,890.55	-	-	1,915,890.55	-	1,915,890.55
1. Provision in the current year	-	-	-	-	34,707,661.55	-	-	34,707,661.55	1,442,823.20	36,150,484.75
2. Amount utilised in the current year	-	(300,787,044.21)	(300,787,044.21)	-	(32,791,771.00)	-	-	(32,791,771.00)	(1,442,823.20)	(34,234,594.20)
(V) Others	-	-	-	-	-	-	-	-	-	-
1. Exercise of the employee stock ownership plans	-	(300,787,044.21)	(300,787,044.21)	-	-	-	-	-	-	-
<b>III. Closing balance of the current year</b>	1,663,911,378.00	626,736,519.64	220,015,940.99	145,710,300.63	3,347,876.91	269,782,850.97	5,427,338,050.01	7,916,811,035.17	2,806,304,380.91	10,723,115,416.08



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

For the year ended 31 December 2023										
Attributable to shareholders of the parent										
	Share capital	Capital reserve	Treasury shares	Less: comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
I. Opening balance of the current year										
	1,663,911,378.00	626,613,563.85	300,787,044.21	(14,346,240.25)	893,848.95	132,124,232.09	3,079,159,820.20	5,187,569,558.63	2,220,733,338.76	7,408,302,897.39
II. Changes for the year										
(I) Total comprehensive income	-	300,910,000.00	220,015,940.99	79,054,729.02	538,137.41	71,600,239.73	732,333,396.87	964,420,562.04	169,484,685.28	1,133,905,247.32
(II) Owners' contributions and reductions in capital	-	-	-	79,054,729.02	-	-	803,933,636.60	882,988,365.62	97,511,850.98	980,500,216.60
1. Business combination under non-common control	-	-	-	-	-	-	-	(220,015,940.99)	71,972,834.30	(148,043,106.69)
2. Others	-	-	220,015,940.99	-	-	-	-	(220,015,940.99)	-	(220,015,940.99)
(III) Profit distributions	-	-	-	-	-	71,600,239.73	(71,600,239.73)	-	-	-
1. Transfer to surplus reserve	-	-	-	-	-	71,600,239.73	(71,600,239.73)	-	-	-
(IV) Special reserve	-	-	-	-	538,137.41	-	-	538,137.41	-	538,137.41
1. Provision in the current year	-	-	-	-	22,708,713.15	-	-	22,708,713.15	-	22,708,713.15
2. Amount utilised in the current year	-	-	-	-	(22,170,575.74)	-	-	(22,170,575.74)	-	(22,170,575.74)
(V) Others	-	300,910,000.00	-	-	-	-	-	300,910,000.00	-	300,910,000.00
III. Closing balance of the current year										
	1,663,911,378.00	927,523,563.85	520,802,985.20	64,708,488.77	1,431,986.36	203,724,471.82	3,811,493,217.07	6,151,990,120.67	2,390,218,024.04	8,542,208,144.71

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note V	2024	2023
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash receipts from sale of goods and rendering of services		9,216,318,796.66	7,081,684,788.25
Cash receipts from tax refunds		88,240,742.59	96,402,362.08
Other cash receipts relating to operating activities	57	195,650,606.24	75,417,971.48
Subtotal of cash inflows from operating activities		9,500,210,145.49	7,253,505,121.81
Cash payments for goods purchased and services received		3,513,974,556.09	2,937,821,242.51
Cash payments to and on behalf of employees		1,090,765,888.02	1,051,373,088.24
Payments of various types of taxes and surcharges		1,223,020,706.50	830,229,439.77
Other cash payments relating to operating activities	57	403,968,335.18	231,001,009.93
Subtotal of cash outflows from operating activities		6,231,729,485.79	5,050,424,780.45
Net cash flows from operating activities	58	3,268,480,659.70	2,203,080,341.36
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Cash receipts from disposals and recovery of investments		502,748,255.11	—
Cash receipts from investment income		62,938.52	—
Net cash receipts from disposals of fixed assets, intangible assets and other non-current assets		226,091.67	19,876,952.35
Other cash receipts relating to investing activities	57	353,934,999.93	248,839,227.27
Subtotal of cash inflows from investing activities		856,972,285.23	268,716,179.62
Cash payments for purchase or construction of fixed assets, intangible assets and other non-current assets		1,519,862,195.26	1,741,965,108.01
Cash payments for investments		51,908,901.00	—
Net cash payments for acquisitions of subsidiaries	58	75,887,444.20	18,095,428.16
Other cash payments relating to investing activities	57	167,724,898.98	279,774,145.15
Subtotal of cash outflows from investing activities		1,815,383,439.44	2,039,834,681.32
Net cash flows used in investing activities		(958,411,154.21)	(1,771,118,501.70)

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note V	2024	2023
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Cash receipts from capital contributions		166,600,000.00	–
Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries		166,600,000.00	–
Cash receipts from borrowings		1,381,090,945.78	1,151,050,473.88
Other cash receipts relating to financing activities	57	1,128,381,442.99	1,283,387,308.77
Subtotal of cash inflows from financing activities		2,676,072,388.77	2,434,437,782.65
Cash repayments of borrowings		1,901,702,772.54	1,013,745,209.57
Cash payments for distribution of dividends or profits or settlement of interest expenses		266,343,820.79	146,125,793.75
Other cash payments relating to financing activities	57	1,605,490,043.92	1,502,687,039.81
Subtotal of cash outflows from financing activities		3,773,536,637.25	2,662,558,043.13
Net cash flows used in financing activities		(1,097,464,248.48)	(228,120,260.48)
<b>IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		29,658,980.07	18,248,644.34
<b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	58	1,242,264,237.08	222,090,223.52
Add: Opening balance of cash and cash equivalents	58	1,274,634,730.02	1,052,544,506.50
<b>VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	58	2,516,898,967.10	1,274,634,730.02

# COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

<b>ASSETS</b>		Note XVII	<b>31 December 2024</b>	31 December 2023
<b>Current assets:</b>				
Cash and bank balances			<b>286,244,649.58</b>	244,170,153.97
Prepayments			<b>14,820.00</b>	–
Other receivables	1		<b>1,218,723,453.00</b>	1,189,416,180.29
Other current assets			<b>21,040,455.87</b>	–
<b>Total current assets</b>			<b>1,526,023,378.45</b>	1,433,586,334.26
<b>Non-current assets:</b>				
Long-term equity investments	2		<b>6,391,564,080.55</b>	6,218,890,765.06
Fixed assets			<b>2,559,970.88</b>	2,815,322.98
Right-of-use assets			–	4,356,636.56
Intangible assets			<b>2,120,205.94</b>	1,236,804.05
Other non-current assets			–	130,843.80
<b>Total non-current assets</b>			<b>6,396,244,257.37</b>	6,227,430,372.45
<b>Total assets</b>			<b>7,922,267,635.82</b>	7,661,016,706.71

# COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

ASSETS	Note XVII	31 December 2024	31 December 2023
<b>Current liabilities:</b>			
Short-term borrowings		518,862,162.49	600,637,083.33
Employee benefits payable		8,325,897.86	9,477,955.08
Taxes payable		709,134.57	534,760.26
Other payables		653,686,794.39	614,931,295.38
Non-current liabilities due within one year		170,324,567.64	123,636,124.43
<b>Total current liabilities</b>		<b>1,351,908,556.95</b>	1,349,217,218.48
<b>Non-current liabilities:</b>			
Long-term borrowings		433,882,239.22	753,470,001.24
<b>Total non-current liabilities</b>		<b>433,882,239.22</b>	753,470,001.24
<b>Total liabilities</b>		<b>1,785,790,796.17</b>	2,102,687,219.72
<b>Shareholders' equity:</b>			
Share capital		1,663,911,378.00	1,663,911,378.00
Capital reserve		2,048,754,375.75	2,349,541,419.96
Less: Treasury shares		220,015,940.99	520,802,985.20
Surplus reserve		287,802,710.23	221,744,331.08
Retained earnings		2,356,024,316.66	1,843,935,343.15
<b>Total equity</b>		<b>6,136,476,839.65</b>	5,558,329,486.99
<b>Total liabilities and shareholders' equity</b>		<b>7,922,267,635.82</b>	7,661,016,706.71

# COMPANY STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note XVII	2024	2023
Revenue	3	65,830,976.43	133,189,837.50
Less: Cost of sales	3	—	—
Taxes and surcharges		119,078.74	402,546.75
Administrative expenses		49,057,539.29	61,623,676.36
Financial expenses		16,082,547.91	53,919,935.04
Including: Interest expenses		29,449,318.09	74,962,333.77
Interest income		7,636,741.44	13,282,821.74
Add: Other income		957,809.80	192,275.37
Investment income	4	659,337,082.51	699,816,333.36
Including: Share of profits of associates and joint ventures		(126,685.51)	(183,677.04)
Credit impairment gains		11,088.76	7,880.09
Impairment losses on assets		—	(1,320,770.89)
Operating profit		660,877,791.56	715,939,397.28
Add: Non-operating income		6,000.00	63,000.00
Less: Non-operating expenses		300,000.00	—
Profit before tax		660,583,791.56	716,002,397.28
Less: Income tax expenses		—	—
Net profit		660,583,791.56	716,002,397.28
Including: Net profit from continuing operations		660,583,791.56	716,002,397.28
Other comprehensive income, net of tax		—	—
<b>Total comprehensive income</b>		<b>660,583,791.56</b>	<b>716,002,397.28</b>



# COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

For the year ended 31 December 2024

	Less:					
	Share capital	Capital reserve	Treasury shares	Surplus reserve	Retained earnings	Total equity
<b>I. Balance at beginning of current year</b>	1,663,911,378.00	2,349,541,419.96	520,802,985.20	221,744,331.08	1,843,935,343.15	5,558,329,486.99
<b>II. Changes for the year</b>	-	(300,787,044.21)	(300,787,044.21)	66,058,379.15	512,088,973.51	578,147,352.66
(I) Total comprehensive income	-	-	-	-	660,583,791.56	660,583,791.56
(II) Profit distributions	-	-	-	66,058,379.15	(148,494,818.05)	(82,436,438.90)
1. Transfer to surplus reserve	-	-	-	66,058,379.15	(66,058,379.15)	-
2. Distribution to shareholders	-	-	-	-	(82,436,438.90)	(82,436,438.90)
(III) Others	-	(300,787,044.21)	(300,787,044.21)	-	-	-
1. Exercise of the employee stock ownership plans	-	(300,787,044.21)	(300,787,044.21)	-	-	-
<b>III. Closing balance of current year</b>	1,663,911,378.00	2,048,754,375.75	220,015,940.99	287,802,710.23	2,356,024,316.66	6,136,476,839.65

For the year ended 31 December 2023

	Less:					
	Share capital	Capital reserve	Treasury shares	Surplus reserve	Retained earnings	Total equity
<b>I. Balance at beginning of current year</b>	1,663,911,378.00	2,048,631,419.96	300,787,044.21	150,144,091.35	1,199,533,185.60	4,761,433,030.70
<b>II. Changes for the year</b>	-	300,910,000.00	220,015,940.99	71,600,239.73	644,402,157.55	796,896,456.29
(I) Total comprehensive income	-	-	-	-	716,002,397.28	716,002,397.28
(II) Shareholders' contributions and reductions	-	-	220,015,940.99	-	-	(220,015,940.99)
in capital	-	-	220,015,940.99	-	-	(220,015,940.99)
1. Others	-	-	220,015,940.99	-	-	(220,015,940.99)
(III) Profit distributions	-	-	-	71,600,239.73	(71,600,239.73)	-
1. Transfer to surplus reserve	-	-	-	71,600,239.73	(71,600,239.73)	-
(IV) Others	-	300,910,000.00	-	-	-	300,910,000.00
<b>III. Closing balance of current year</b>	1,663,911,378.00	2,349,541,419.96	520,802,985.20	221,744,331.08	1,843,935,343.15	5,558,329,486.99

# COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note XVII	2024	2023
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Other cash receipts relating to operating activities		274,078,560.91	672,019,822.41
Subtotal of cash inflows from operating activities		274,078,560.91	672,019,822.41
Cash payments to and on behalf of employees		28,931,170.38	21,782,812.81
Payments of various types of taxes and surcharges		396,728.06	1,299,769.94
Other cash payments relating to operating activities		126,376,166.03	71,169,694.71
Subtotal of cash outflows from operating activities		155,704,064.47	94,252,277.46
Net cash flows from operating activities		118,374,496.44	577,767,544.95
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Cash receipts from disposals and recovery of investments		50,000,000.00	—
Cash receipts from investment income		651,492,286.82	—
Net cash receipts from disposals of fixed assets, intangible assets and other non-current assets		—	7,823,225.90
Other cash receipts relating to investing activities		139,566,818.77	113,000,010.40
Subtotal of cash inflows from investing activities		841,059,105.59	120,823,236.30
Cash payments for purchase or construction of fixed assets, intangible assets and other non-current assets		1,500,090.08	822,802.39
Cash payments for investments		223,400,001.00	21,300,000.00
Net cash payments for acquisitions of subsidiaries		8,156,940.00	20,400,000.00
Other cash payments relating to investing activities		105,000,000.00	215,940,000.00
Subtotal of cash outflows from investing activities		338,057,031.08	258,462,802.39
Net cash flows from/(used in) investing activities		503,002,074.51	(137,639,566.09)

# COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note XVII	2024	2023
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Cash receipts from borrowings		518,500,000.00	900,000,000.00
Other cash receipts relating to financing activities		63,974,181.00	304,553,305.44
Subtotal of cash inflows from financing activities		582,474,181.00	1,204,553,305.44
Cash repayments of borrowings		873,440,000.00	797,909,000.00
Cash paid for distribution of dividends or profit and interest expenses		149,214,398.88	58,243,139.79
Other cash payments relating to financing activities		135,856,224.55	960,031,786.97
Sub-total of cash outflows from financing activities		1,158,510,623.43	1,816,183,926.76
Net cash flows used in financing activities		(576,036,442.43)	(611,630,621.32)
<b>IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		174,028.65	–
<b>V. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		45,514,157.17	(171,502,642.46)
Add: Opening balance of cash and cash equivalents		230,205,153.97	401,707,796.43
<b>VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>		275,719,311.14	230,205,153.97

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## I. GENERAL INFORMATION

Chifeng Jilong Gold Mining Co., Ltd. (the “Company”) was formerly known as Guangzhou Baolong Special Vehicle Co., Ltd. (“Oriental Baolong”). In August 2010, Oriental Baolong changed its name to Guangdong Oriental Brothers Investment Co., Ltd. (“Oriental Brothers”).

On 23 November 2012, the China Securities Regulatory Commission (“CSRC”) approved the issuance of 183,664,501 shares of RMB ordinary shares (A shares) by Oriental Brothers to purchase 100.00% of equity assets of Chifeng Jilong Mining Co., Ltd. held by Zhao Meiguang, Zhao Guixiang, Zhao Guiyuan, Liu Yongfeng, Ren Yiguo, Ma Li, Li Xiaohui and Meng Qingguo in accordance with the Reply on Approval of Significant Asset Restructuring and Issuance of Shares to Zhao Meiguang and Others by Guangdong Oriental Brothers Investment Co., Ltd. to Purchase Assets (Zheng Jian Xu Ke 2012 No.1569).

On 3 December 2012, Oriental Brothers completed the registration procedures for the issuance of 183,664,501 shares of RMB ordinary shares to eight natural persons, including Zhao Meiguang, at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (“CSDC Shanghai Branch”), and the total number of share capital after the change is 283,302,301 shares. On 5 December 2012, Oriental Brothers completed the industrial and commercial registration of changes to increase its registered capital at the Guangzhou Industrial and Commercial Bureau. The total share capital of Oriental Brothers was increased from RMB99,637,800.00 to RMB283,302,301.00.

On 24 December 2012, as approved by the Administrative Bureau for Industry and Commerce of Inner Mongolia Autonomous Region, the address of Oriental Brothers was changed to Fumin Village, Sidaowanzi Town, Aohan Banner, Chifeng City, and its name was changed to Chifeng Jilong Gold Mining Co., Ltd. The scope of business was changed to sales of gold mineral products and investment and management of mining.

On 28 April 2014, the Company deliberated and approved the board of directors’ proposal on the 2013 profit appropriation plan at the 2013 annual general meeting, based on the total share capital of the Company of 283,302,301 shares as of 31 December 2013, the capital reserve was transferred to all shareholders by 10 shares for every 10 shares, and the total share capital after the change was RMB566,604,602.00.

On 22 May 2014, the Company completed the industrial and commercial registration of changes of increasing the registered capital and changing the business scope at the Industrial and Commercial Bureau of Inner Mongolia Autonomous Region, and its registered capital was changed to RMB566,604,602.00, and the business scope was changed to “sales of gold mineral products, investment and management of mining and other industries in which the state allows to invest.”

On 28 January 2015, the CSRC issued the Reply on Approval of Issuance of Shares to Tan Xiongyu and Others by Chifeng Jilong Gold Mining Co., Ltd. to Purchase Assets and Raise Funds (Zheng Jian Xu Ke 2015 No.134), which approved the issuance of 114,016,786 shares by the Company to Tan Xiongyu and others to purchase assets and the non-public offering of not more than 41,925,465 new shares to raise funds for the purchase.

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## I. GENERAL INFORMATION ((CONTINUED))

On 12 February 2015, the Company completed the share registration procedures for the issuance of a total of 114,016,786 shares to Tan Xiongyu and others for the purchase of assets at CSDC Shanghai Branch, and the total number of shares after the change was 680,621,388 shares.

On 18 March 2015, the Company completed the share registration procedures for the issuance of a total of 32,569,360 shares to Shenzhen Qianhai Qilin Xinlong Investment Company (LP) and China Merchants Fund Management to raise funds at CSDC Shanghai Branch, and the total number of shares after the change was 713,190,748 shares.

On 17 June 2015, the Company completed the industrial and commercial registration of changes of increasing the registered capital at the Administrative Bureau for Industry and Commerce of Inner Mongolia Autonomous Region and its registered capital was changed to RMB713,190,748.00.

On 11 October 2017, the Company deliberated and approved the 2017 interim profit appropriation plan at the first 2017 extraordinary general meeting, and transferred 10 shares for every 10 shares from capital reserve to all shareholders on the basis of the total share capital of the Company at the share registration day when the distribution plan was implemented, for a total transfer of 713,190,748 shares, increasing the total share capital of the Company to 1,426,381,496 shares after the transfer. On 25 October 2017, the Company completed the industrial and commercial registration of changes of increasing the registered capital at the Administrative Bureau for Industry and Commerce of Inner Mongolia Autonomous Region, and its registered capital was changed to RMB1,426,381,496.00.

Pursuant to the resolution of the first 2019 extraordinary general meeting held on 31 May 2019 and the Reply on Approval of Issuance of Shares to Zhao Meiguang and Others by Chifeng Jilong Gold Mining Co., Ltd. to Purchase Assets and Raise Funds (Zheng Jian Xu Ke 2019 No.2020) approved by the CSRC on 28 October 2019, which approved the issuance of a total of 128,787,878 shares by the Company to Zhao Meiguang and others to purchase assets and the funds raised by non-public offering was less than RMB510,000,000.00.

On 12 November 2019, the Company completed the newly share registration procedures for the issuance of a total of 128,787,878 shares to Zhao Meiguang and others for the purchase of assets at CSRC Shanghai Branch, and the total number of shares after the change was 1,555,169,374 shares, with a share capital of RMB1,555,169,374.00.

On 22 January 2020, the Company completed the registration procedures for the new issuance of shares to Yinhua Fund Management Co., Ltd., Inner Mongolia Financial Asset Management Company Limited and Jiubaba (Jinan) Investment Partnership (LP) to raise funds at CSRC Shanghai Branch, with a total of 108,742,004 shares. The total number of shares after the issuance was 1,663,911,378 shares, with a share capital of RMB1,663,911,378.00.

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## I. GENERAL INFORMATION ((CONTINUED))

The registered address of the Company is Fumin Village, Sidaowanzi Town, Aohan Banner, Chifeng City, Inner Mongolia Autonomous Region, and the office address is A7-Xiaojing, Wanfeng Road, Fengtai District, Beijing.

The Company and its subsidiaries (collectively referred to as the “Group”) are mainly engaged in mining of gold and non-ferrous metal and comprehensive recycling of resources. The main products are gold, electrolytic copper and other precious metals and non-ferrous metals.

The actual controller of the Group is Ms. Li Jinyang.

The financial statements were approved and authorised for issue by the board of directors of the Company on 28 March 2025.

## II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### 1. Basis of preparation

The Group adopts the Accounting Standards for Business Enterprises in China and relevant requirements promulgated by the Ministry of Finance (hereafter referred to as “CAS”), and discloses relevant financial information in accordance with the Rules on the Preparation and Report of Information Disclosure for Companies Publicly Issuing Securities No. 15 – General Requirements for Financial Report (Revised in 2023). In addition, the financial statements also disclose information according to the relevant disclosure requirements under the Hong Kong Companies Ordinance and the Listing Rules.

### 2. Going concern

The financial statements have been prepared on a going concern basis.



# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group has formulated specific accounting policies and accounting estimates based on actual production and operation characteristics, which are mainly reflected in the depreciation of fixed assets, amortisation of intangible assets, revenue recognition and measurement and so on.

1. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truly and completely the consolidated and the company financial position as at 31 December 2024, and the consolidated and company financial performance and cash flows for the year then ended.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e., from 1 January to 31 December.

3. Functional currency

The Company adopts Renminbi ("RMB") as its functional currency and to prepare its financial statements. Except for specially noted instructions, the financial statements are denominated in RMB.

The subsidiaries and associates of the Group determine their own functional currencies according to the primary economic environments in which they operate and translate into RMB in preparation of the financial statements.

4. Method and selection basis of determination of materiality criteria

Materiality criteria	
Material receivables that make bad debt provision individually	Receivables that make bad debt provision individually exceeding 10% of the total amount of each receivable account, and individual provision amount made in the current period exceeding RMB20 million.
Material construction in progress	Individually with a carrying amount exceeding 0.1% of the Group's total assets.
Material non-wholly owned subsidiaries	A subsidiary with net assets exceeding 1% of the net assets of the Group, and the non-controlling interests exceeding RMB100 million.
Material trade payables	Individually with a carrying amount exceeding RMB5 million.
Material associates	An individual investee with a carrying amount exceeding 5% of the net assets of the Group.

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 5. Business combinations

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

A business combination involving entities under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. Assets and liabilities (including goodwill arising from the acquisition of the merged party (parties) by the ultimate controlling party) obtained by the merging party shall be measured on the basis of their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to capital premium under capital reserves. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination not involving entities under common control shall be measured at fair value at the acquisition date. Where the fair value of combination consideration exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, which is subsequently measured at cost less accumulated impairment losses. Where the fair value of combination consideration is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the fair value of combination consideration. If after that reassessment, the fair value of combination consideration is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current period.



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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 6. Consolidated financial statements

The scope of the consolidated financial statements is determined on the basis of control. The consolidated financial statements include the financial statements of the Company and its subsidiaries. A subsidiary is an entity that is controlled by the Company (such as an enterprise, a deemed separate entity, or a structured entity controlled by the Company). The investor controls an investee if, and only if, the investor has the following three elements: the investor has power over the investee; has rights to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns.

Where the accounting policies adopted by subsidiaries are inconsistent with those of the Company, appropriate adjustments are made to the subsidiaries' financial statements in accordance with the accounting policies and accounting period of the Company. All assets, liabilities, equity, income, expenses and cash flows arising from intra-group transactions are eliminated on consolidation.

When the amount of loss for the period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount shall still be allocated against non-controlling interests.

For subsidiaries acquired through business combinations not involving entities under common control, the financial performance and cash flows of the acquiree shall be consolidated from the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. While preparing the consolidated financial statements, the Group shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognised on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the financial performance and cash flows of the entity being absorbed shall be consolidated from the beginning of the period in which the combination occurs. While preparing the comparative financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained the control.

If a change in any facts and circumstances gives rise to one or more changes in controlling factors, the Group will reassess whether it controls the investee or not.

Change in non-controlling interests that does not result in the loss of control over the subsidiary is accounted for as an equity transaction.

### 7. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

# NOTES TO FINANCIAL STATEMENTS

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 8. Foreign currency transactions and foreign currency translation

For foreign currency transactions, the Group translates the amount of foreign currency into the amount of functional currency.

On initial recognition of a foreign currency transaction, the amount of the foreign currency is translated into the functional currency at the spot exchange rate prevailing on the date of the transaction. As at the end of the reporting period, monetary items denominated in foreign currencies are translated into the functional currency using the spot exchange rates prevailing at the end of the reporting period. Exchange differences arising from the differences between the spot exchange rates prevailing at the end of the reporting period and those on initial recognition or at the end of the previous reporting period, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period, are recognised in profit or loss for the period. Non-monetary items denominated in foreign currencies measured at historical cost are translated at the spot exchange rate prevailing on the date of transaction and the amount denominated in the functional currency is not changed. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Differences between the re-translated functional currency amount and the original functional currency amount are recognised in profit or loss or as other comprehensive income depending on the nature of the non-monetary items.

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the statement of financial position are translated at the spot exchange rate prevailing at the end of the reporting period; owners' equity items except for retained earnings are translated at the spot exchange rates at the dates on which such items arose; income and expenses in the statement of profit or loss are translated at the average exchange rates for the transaction period (unless exchange rate fluctuations make translation at that rate inappropriate, then the spot rate at the date of the cash flow is used). The exchange differences arising from translation of financial statements denominated in foreign currencies are recognised as other comprehensive income. For disposals of equity interests in foreign operations, the proportionate share of the accumulated exchange differences arising from translation of financial statements in other comprehensive income of foreign operations is reclassified to profit or loss for the current period. For partial disposals, the reclassification is determined on the proportion of disposal.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at the average exchange rate of the transaction period of cash flows (unless exchange rate fluctuations make translation at that rate inappropriate, then the spot rate at the date of the cash flow is used). The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the statement of cash flows.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

#### (1). Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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

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

The Group derecognises a financial liability only when the underlying obligation is settled, discharged or expires. An agreement to replace the original financial liability with a new financial liability with substantially different terms with the same creditor, or to modify the original financial liability's terms substantially, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the new financial liability should be recognised in profit or loss for the current period.

All regular means of purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular means of purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace pursuant to the provisions of the terms of an agreement. Trade date is the date that the Group commits to purchase or sell the financial asset.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (2). Classification and measurement of financial assets

At initial recognition, the classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them: financial assets at amortised cost and financial assets at fair value through profit or loss. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, but trade receivables arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group does not consider the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, transaction costs are directly recognised in profit or loss for the current period. For other financial assets, transaction costs are included in their initial recognised amounts.

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

Financial assets at amortised cost (debt instrument investments)

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of this kind of financial assets is recognised using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

The financial assets other than financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with changes in fair value recognised in profit or loss, except for the derivatives designated as hedging instruments.



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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (3). Classification and measurement of financial liabilities

At initial recognition, financial liabilities of the Group are classified as financial liabilities at fair value through profit or loss and amortised cost. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly recognised in profit or loss for the current period, and the related transaction costs of financial liabilities measured at amortised cost are recognised in their initial amount.

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivative instruments attributable to financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading (including derivative instruments attributable to financial liabilities) are subsequently measured at fair value. All changes in fair value of such financial liabilities are recognised in profit or loss, except for the financial liabilities accounted for under hedge accounting. Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value and gains or losses are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income. If gains or losses arising from the Group's own credit risk which are presented in other comprehensive income will lead to or expand the accounting mismatch in profit or loss, the Group will include all the changes in fair value (including the amount affected by changes in the Group's own credit risk) of such financial liabilities in profit or loss.

Financial liabilities measured at amortised cost

For such financial liabilities, subsequent measurement is made at amortised cost using the effective interest method.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (4). Impairment of financial instruments

##### Methods for determining expected credit losses and accounting treatment methods

Based on expected credit losses (“ECLs”), the Group undertakes impairment treatment and recognises an allowance for financial assets at amortised cost.

For receivables that do not contain significant financing components, the Group applies the simplified approach to measure loss provisions based on lifetime ECLs.

For financial assets other than those measured with the simplified approach, the Group evaluates at the end of each reporting period whether its credit risk has significantly increased since initial recognition. If the credit risk of the financial instrument does not increase significantly since the initial recognition, it would be classified in Stage 1, and the Group measures the loss provision for those instruments at an amount equal to 12-month expected credit losses, and calculates interest income based on book value and actual interest rate. If the credit risk of a financial instrument has significantly increased since the initial recognition but is not yet credit-impaired, it would be classified in Stage 2, and the Group measures the loss provision for the instrument at an amount equal to lifetime expected credit losses, and calculates interest income based on book value and actual interest rate. If the financial instrument has been credit-impaired since the initial recognition, it would be classified in Stage 3, and the Group measures the loss provision for the financial instrument at an amount equal to lifetime expected credit losses, and calculates interest income according to amortised cost and actual interest rate. For financial instruments with relatively low credit risk at the end of the reporting period, the Group assumes their credit risk has not significantly increased since initial recognition.

Please refer to Note X. 2 for the disclosure of the Group’s criteria for judging the significant increase in credit risk, the definition of credit-impaired financial assets, etc.

The Group’s measurement of ECLs of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the end of the reporting period.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (Continued)

#### (4). Impairment of financial instruments (Continued)

Portfolio categories for provisioning for impairment according to the combination of credit risk characteristics and the determination basis

The Group has taken into account the credit risk characteristics of different customers. Based on the common risk characteristics and using the ageing portfolio as the basis, we assess the expected credit losses of financial instruments. The portfolios classified by the Group are the domestic customer portfolio and the overseas customer portfolio.

The ageing calculation method for the credit risk characteristic portfolio confirmed based on the ageing of accounts

The Group determines the ageing of accounts based on the invoice date.

The criteria for bad debt provision made individually

If the credit risk characteristics of a certain counterparty are significantly different from those of other counterparties in the portfolio, the provisions for the receivables from this counterparty shall be made on an individual basis.

Write-off of impairment provisions

When the Group no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, the Group directly writes down the carrying amount of the financial asset.

#### (5). Derivative financial instruments

The Group uses derivative financial instruments, such as forward exchange contracts for mitigating foreign exchange rate fluctuation risk, and commodity futures contracts for hedging price fluctuation risk. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative.

Except for those subject to hedge accounting, gains or losses arising from changes in the fair value of derivatives are directly recognised in profit or loss for the current period.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Inventories

The Group's inventories include raw materials, work in progress, finished goods and consumable materials.

Inventories are initially measured at cost. Cost of inventories comprise all costs of purchase, costs of processing and other expenditures. The actual cost of inventories upon delivery is calculated using the weighted average method. Except that the harvesters are amortised at fifty percent each upon issuance, consumable materials, including low value consumables and packing materials, are amortised using the immediate write-off method.

The Group maintains a perpetual inventory system.

At the reporting date, inventories are measured at the lower of cost and net realisable value. The inventories are written down below cost to net realisable value and the write-down is recognised in profit or loss if the cost is higher than the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. For inventories with large quantities and low unit prices, provision for inventories is written down by category. Items of inventories relating to the same product line that have the same or similar end uses or purposes, are produced and marketed in the same geographical area, and cannot be practicably evaluated separately from other items in that product line, are grouped and written down on an aggregate basis.

### 11. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and associates.

A long-term equity investment is measured at its initial investment cost on acquisition. For a long-term equity investment acquired through business combination involving entities under common control, the initial investment cost is the attributable share of the carrying amounts of the owners' equity of the acquiree in the ultimate controlling party's consolidated financial statements at the date of combination. The difference between the initial investment cost and the carrying amount of the consideration is adjusted against capital reserve (if the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings). For a long-term equity investment acquired through business combination not involving entities under common control, the initial investment cost of the long-term equity investment is the cost of the combination (If the business combination not involving entities under common control is achieved in stages, the initial investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity investment held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date). For a long-term equity investment acquired other than long-term equity investments formed through business combinations, the initial investment cost is recognised as follows: if acquired by cash, the initial investment cost is recognised at the purchase price actually paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition of long-term equity investments; if acquired through issuing equity securities, the initial investment cost is recognised at the fair value of the equity securities issued.

# NOTES TO FINANCIAL STATEMENTS

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Long-term equity investments (Continued)

The long-term equity investments which the Company can exercise control over the investee are accounted for using the cost method in the Company's individual financial statements. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, a long-term equity investment is measured at initial investment cost. If there are additional investments or disinvestments, the cost of the long-term equity investment shall be adjusted. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

For long-term equity investments over which the Group has joint control or significant influence, the Group accounts for such long-term equity investments using the equity method. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, after a long-term equity investment is acquired, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss and other comprehensive income for the period, respectively, and adjusts the carrying amount of the long-term equity investment. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's identifiable assets and others at the acquisition date after making appropriate adjustments to conform with the Group's accounting policies and accounting period. Unrealised profit or loss resulting from the Group's transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated (except for those transactions relating to impairment loss of assets which shall be recognised fully), provided that invested or sold assets constituting business shall be excluded. The Group shall reduce the carrying amount of the long-term equity investments for shares of profits or cash dividends declared of the investee. However, the share of net loss is only recognised to the extent that the carrying value of the investment together with any long-term interests that in substance form part of its net investment is reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. Changes in the owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are correspondingly adjusted to the carrying amount of the long-term equity investments and recognised in the owners' equity.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 12. Fixed assets

#### (1). Recognition criteria

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the book value of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in profit or loss in the period in which they are incurred.

A fixed asset is initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered. The cost of a fixed asset is the aggregate cost of purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use.

#### (2). Depreciation method

Other than the fixed asset formed by the safety fund that is depreciated one time, other fixed assets are depreciated over their useful lives using the units-of-production method or the straight-line method. The useful lives, estimated net residual value rate and annual depreciation rate of each category of the fixed assets which depreciation are calculated using the straight-line method are as follows:

Type	Useful life	Estimated residual value rate	Annual depreciation rate
Buildings	20 years	5%	4.75%
Machinery	5-10 years	5%	9.50%-19.00%
Vehicles	5-10 years	5%	9.50%-19.00%
Electronic equipments and others	3-5 years	5%	19.00%-31.67%

Where the components of fixed assets have different useful lives or provide economic benefits to the enterprise in different ways, different depreciation rates are applied. The Group reviews the useful life, estimated net residual value of fixed assets and the depreciation method applied at least once at each financial year end, and adjusts for any change when necessary.



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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 13. Construction in progress

Construction in progress is measured at its actual cost. The actual cost includes various necessary construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs.

Construction in progress is transferred to a fixed asset or an intangible asset when it is ready for its intended use.

Type	Criteria for transferring fixed assets
Buildings	Meet the design requirements and be available for use
Machinery	Meet the design requirements and complete the trial production
Transportation equipment	Actually start to use
Electronic equipment and others	Actually start to use

### 14. Borrowing costs

Borrowing costs that can be directly attributed to the acquisition, construction or production of assets that meet the capitalisation criteria shall be capitalised, and other borrowing costs shall be recognised as an expense in the current period.

When capital expenditures and borrowing costs have been incurred, and the acquisition, construction or production activities that are necessary to bring the asset to a condition ready for its intended use or sale have commenced, the borrowing costs begin to be capitalised.

During the capitalisation period, the amount of interest capitalised in each accounting period shall be determined in accordance with the following methods: for specific borrowings, it shall be determined as the amount of the actual interest expenses incurred in the current period, minus the temporary deposit interest income or investment income; for the general borrowings utilised, it shall be calculated and determined by multiplying the weighted average of the capital expenditures of the portion where the cumulative capital expenditures exceed the specific borrowings by the weighted average interest rate of the general borrowings utilised.

During the acquisition, construction or production process of an asset that meets the capitalisation criteria, there is an abnormal interruption other than the necessary procedures to reach the intended use or sale state, and the interruption lasts continuously for more than three months, the capitalisation of borrowing costs shall be suspended. The borrowing costs incurred during the interruption period shall be recognised as expenses and included in the current period's profit or loss until the acquisition, construction or production activities of the asset resume.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 15. Intangible assets

#### (1). The useful lives of the intangible assets

The mining rights are amortised using the units-of-production method. Exploration rights are not amortised before the mining begins. After exploration rights are converted into mining rights, they are amortised using the units-of-production method. Other intangible assets are amortised on a straight-line basis over their useful lives. The estimated useful lives of each intangible asset are as follows:

Type	Useful life	Basis for determination
Land use rights	20-50 year(s)	The term of the land use right
Trademarks	10 year(s)	Registered valid period
Patents	10-14.75 year(s)	The shorter of the patent right term and the estimated useful life
Forest land use rights	55 year(s)	The term of the forest use right
Other intangible assets	5-12 year(s)	The useful lives of the assets

Exploration expenditures include the expenses incurred in activities such as geological prospecting, exploration drilling, and trench sampling for taking samples, which are related to the feasibility studies of technical and commercial development carried out around, outside, or in the depth of existing ore deposits, or on the basis of exploration rights obtained through external purchases. Exploration expenditures incurred after it can be reasonably determined that a mine is commercially viable for production can be capitalised. After obtaining the mining license, they will be included in the intangible asset of the mining right and amortised using the units-of-production method. If any project is abandoned during the development stage, its total expenditure will be written off and included in the current period's expenses.

#### (2). Research and development expenses

The Group classifies the expenditures on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure on the research phase is recognised in profit or loss as incurred. Expenditure on the development phase is capitalised only when the Group can demonstrate all of the followings the technical feasibility of completing the intangible asset so that it will be ready for intended use or sale; the intention to complete the intangible asset and use or sell it; how the intangible asset will generate probable future economic benefits (among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset); the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and the ability to measure reliably the expenditure attributable to the intangible asset during the development phase. Expenditure on the development phase which does not meet these above criteria is recognised in profit or loss when incurred.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 16. Impairment of assets

Impairment of assets other than inventories, deferred tax assets and financial assets is recognised based on the following methods: the Group assesses at the end of each reporting period whether there is any indication that the assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets and impairment tests are performed. Goodwill arising in a business combination, an intangible asset with an indefinite useful life and an intangible asset that is not ready for use shall be assessed for impairment at least at each year end, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. The recoverable amount is estimated on an individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. Identification of an asset group shall be based on whether there are major cash inflows which are independent from other assets or asset groups.

If the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount shall be reduced to its recoverable amount. The reduction is recognised as an impairment loss and charged to profit or loss for the current period. A provision for impairment loss of the asset is recognised accordingly.

For the purpose of impairment testing, the carrying amount of goodwill is, from the acquisition date, allocated on a reasonable basis to each of the relevant asset groups or sets of asset groups. Relevant asset groups or sets of asset groups to which the goodwill is so allocated represent those which are expected to benefit from the synergies of the combination and are not larger than a reportable segment of the Group.

The carrying amount of an asset group or a set of asset groups including the goodwill is compared to its recoverable amount. If the recoverable amount of the asset group or set of asset groups is lower than its carrying amount, firstly, the impairment loss shall be allocated to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups. Then, the impairment loss shall be allocated to the other assets of the asset group or set of asset groups (excluding goodwill) on the basis of the proportion of the carrying amount of each asset in the asset group or set of asset groups.

Once an impairment loss of the abovementioned asset is recognised, it shall not be reversed in any subsequent period.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 17. Long-term deferred expenses

Long-term deferred expenses refer to expenses that have been already incurred but should be borne in the reporting period and subsequent periods with an allocation period of more than one year. The Group's long-term deferred expenses mainly include processing fee for license of mining right and services fee, etc. Long-term deferred expenses are amortised using the straight-line method during the expected period of benefits.

### 18. Contract liabilities

The Group presents its obligation to transfer goods or services to a customer, for which the Group has received consideration or the Group has a right to an amount of consideration that is unconditional (i.e., a receivable) from the customer, as a contract liability.

### 19. Employee benefits

Employee benefits are all types of benefits except the share-based payments given by the Group in exchange for the services rendered by employees or termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits that are provided to the employees.

#### (1). Short-term employee benefits

During the accounting period in which employees provide services, the actual short-term employee benefits incurred are recognised as liabilities and are included in the current period's profit or loss or the cost of relevant assets.

#### (2). Post-employment benefits (defined contribution plan)

The employees of the Group participate in a pension scheme and unemployment insurance managed by the local government, and the corresponding expenses shall be included in the cost of related assets or profit or loss.

#### (3). Termination benefits

When the Group provides termination benefits to employees, the employee salary liability arising from the termination benefits is recognised on the earlier of the following two dates, and is included in the current period's profit or loss: when the enterprise cannot unilaterally withdraw the termination benefits provided due to the labour relationship termination plan or the downsizing proposal; when the enterprise recognises the costs or expenses related to the restructuring involving the payment of termination benefits.

The internal early retirement plan for employees is dealt with in accordance with the same principles as the above-mentioned termination benefits. The Group will, when the conditions for recognizing the provision are met, include the salaries to be paid to the employees on internal early retirement and the social insurance premiums to be paid during the period from the date when the employees stop providing services to the normal retirement date in the current period's profit or loss (termination benefits).

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 20. Provisions

Except for contingent consideration and contingent liabilities arising from business combinations not involving entities under common control, provisions are recognised when the Group has an obligation related to a contingency, which is a present obligation of the Group, that would probably result in an outflow of economic benefits from the Group and could be reliably measured.

The amount initially recognised as a provision is the best estimate of the expenditures required to settle the present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. The Group will review the carrying amount of a provision at the end of the reporting period and make appropriate adjustments to reflect the best estimate of the amount.

A provision recognised in a business combination not involving entities under common control is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

### 21. Share-based payment

A share-based payment is classified as either an equity-settled share-based payment or a cash-settled share-based payment. An equity-settled share-based payment is a transaction in which the Group receives services and uses shares or other equity instruments in exchange for settlement.

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserves. If such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the satisfaction of a specified performance condition, at each reporting date during the vesting period, the Group recognises the services received for the current period as related costs and expenses, with a corresponding increase in capital reserves, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest. The fair value is determined using the fair value on the grant date (or other appropriate pricing model).

Where the terms of an equity-settled share-based award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 21. Share-based payment (Continued)

Where an equity-settled share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

The cost of cash-settled transactions is measured at the fair value of the liability which is determined on the basis of shares or other equity instruments of the Group. If the rights under a cash-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in liability. If the rights under a cash-settled share-based payment could not vest until the completion of services for a vesting period, or until the satisfaction of a specified performance condition, at each reporting sheet date during the vesting period, the Group recognises the services received for the current period as related costs or expenses and the corresponding liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting. The liability is measured at each reporting sheet date up to and including the settlement date, with changes in fair value recognised in profit or loss.

### 22. Revenue

The Group recognises revenue when it has fulfilled its obligations under the contract, i.e., when the customer acquires control of relevant goods or services. Acquiring control over the goods or services refers to the ability to dominate the use of the goods or the provision of services and to derive almost all the economic benefits therefrom.

Detailed information about the revenue recognition of the Group is as follows:

#### *Contracts for the sale of goods*

A contract for the sale of goods between the Group and the customer usually only includes the performance obligation to transfer the goods. The Group generally recognises revenue at the point in time when the customer accepts the goods on the basis of a combination of the following factors: the current right to collect the goods, the transfer of major risks and benefits in the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of physical assets of the goods and that the customers have accepted the goods.

The Group recognises the transaction price as the amount of consideration to which it expects to be entitled in exchange for transferring goods to customers, which is determined based on the contractual terms and conditions in conjunction with customary business practices.



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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 22. Revenue (Continued)

*Contracts for the sale of goods (Continued)*

Metal streaming arrangement

There is a Metal Streaming Arrangement in Golden Star Resources Limited (“Golden Star Resources”) acquired by the Group in 2022. Under the business arrangement, Golden Star Resources receives a payment in advance and the counterparty obtains a certain proportion of deliverable gold within the entire life of the designated mine. The counterparty is also required to pay an additional payment based on a certain proportion of the market price when Golden Star Resources delivers the goods within an agreed period in the future. The payment Golden Star Resources receives in advance is considered to be part of the counterparty’s prepayment for the future goods with uncertain but predictable quantity, and is recognised as a contract liability upon receipt. Each unit of the delivered goods represents a separate performance obligation, and revenue is recognised at the point in time when control of the goods is transferred. Considering the timing of satisfaction of delivery obligations throughout the entire life of the mines, the contract liability above is considered to have significant financing components. In addition, because the quantity of all delivered goods available to the counterparty depends on the mining reserves of the metals throughout the entire life of the mines, the management will estimate the change of total metal reserves and planned mining reserves of the mines on a regular basis and adjustments shall be made to the revenue and financing expenses recognised in historical periods based on the updated prices in the change periods. For further details, please refer to Note V.34.

*Significant financing components*

When the contract contains a significant financing component, the Group determines the transaction price based on an amount that reflects the price that a customer would have paid for the goods in cash at the time of obtaining the control of the goods, and amortises the difference between the determined transaction price and the consideration promised in the contract under the effective interest method within the contract period using the discount rate that discounts the nominal amount of the contract consideration to the current selling price of the goods. The Group does not consider the effects of a significant financing component in the contract if it is expected that the period between the date when the customer obtains control of the goods and the date when the customer pays for such goods will be one year or less.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 22. Revenue (Continued)

#### *Variable consideration*

In the Group's Metal Streaming Arrangement, because the quantity of all delivered goods available to the counterparty depends on the mining reserves of the metals throughout the entire life of the mines, the price allocated to the goods delivered per unit is considered as variable consideration. When the estimated total metal reserves and planned exploitation reserves of the mine change, it is necessary to recalculate the price of goods delivered per unit, and in the period of the changes occurred, adjust the revenue and finance costs recognised in the same period according to the updated price. The Group determines the best estimate of variable consideration by the expected value. The transaction price including variable consideration is only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

#### *Contracts for the rendering of services*

A contract for the rendering of services between the Group and the customer usually includes performance obligations of dismantling waste electrical and electronic products. The Group recognises the fund subsidy income by multiplying the type and quantity of the scrapped electrical and electronic products by being dismantled the corresponding fund subsidy standard.

### 23. Government grants

A government grant is recognised only when the Group can comply with the conditions attached to the grant and the Group will receive the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

Asset-related government grants are recognised when the government document designates that the government grants are used for acquiring, constructing or forming long-term assets. If the government document is inexplicit, the Company should make a judgement based on the basic conditions to obtain the government grants, and recognises them as asset-related government grants if the conditions are for acquiring, constructing or forming long-term assets. Otherwise, the government grants should be income-related. The method applicable to the Group's government grants is the gross method.

Government grants related to income shall be accounted for accordingly as follows: those to be used as compensation for future expenses or losses shall be recognised as deferred income and recorded in profit or loss when the related expenses or losses are recognised; those to be used as compensation for related expenses or losses already incurred shall be recognised directly in profit or loss.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 23. Government grants (Continued)

Government grants related to assets shall be recognised as deferred income to be recognised in profit or loss on a reasonable and systematic basis over the useful lives of the assets (however, government grants measured at a nominal amount shall be recognised directly in profit or loss for the current period). If the assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the balances of undistributed deferred income shall be reclassified to profit or loss over the period when the assets are disposed of.

### 24. Deferred tax assets/deferred tax liabilities

At the end of the reporting period, for temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the carrying amount of items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

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

- (1) When the taxable temporary difference arises from the initial recognition of goodwill or the initial recognition of an asset or liability in transactions that are not business combinations and affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction, and the initial recognition of assets and liabilities does not give rise to any taxable temporary differences and deductible temporary differences at the same amount.
- (2) In respect of taxable temporary differences associated with investments in subsidiaries and associates, the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, except:

- (1) When the deductible temporary differences do not arise from business combinations and affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction, and the initial recognition of assets and liabilities does not give rise to any taxable temporary differences and deductible temporary differences at the same amount.
- (2) In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 24. Deferred tax assets/deferred tax liabilities (Continued)

At the end of the reporting period, deferred tax assets and liabilities are measured at applicable tax rates according to the requirements of tax laws during the period that the assets are expected to be recovered or the liabilities are expected to be repaid. The recognition of deferred tax assets and liabilities also takes the recovery or the repayment terms at the end of the reporting period into account.

At the end of the reporting period, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilised. At the end of the reporting period, the carrying amount of deferred tax assets that are not recognised before, is reviewed and recognised to the extent that it is probable that available taxable profits in the future will allow the entire or part of the benefit of deferred tax assets to be utilised.

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

### 25. Leases

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

#### As a lessee

The Group recognises lease liabilities and right-of-use assets, except for short-term leases and leases of low-value assets.

At the commencement date of the lease, the Group recognises right-of-use assets. Right-of-use assets are initially measured at cost. The cost of the right-of-use assets comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date of the lease less any lease incentives received; (c) any initial direct cost incurred; and (d) estimates of costs incurred by the lessee in dismantling and removing the underlying assets, restoring the site on which they are located or restoring the underlying assets to the condition required by the terms and conditions of the lease. The Group remeasures the lease liabilities for the revision to the lease payments and adjusts the carrying amount of the right-of-use assets accordingly. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying assets will be transferred to the Group at the end of the lease terms, the Group depreciates the assets from the commencement date to the end of the useful lives of the assets. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful lives of the assets and the end of the lease terms.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 25. Leases (Continued)

#### *As a lessee (Continued)*

At the commencement date of the lease, the Group measures lease liabilities at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related assets as required. In addition, the Group remeasures lease liabilities at the present value of the revised lease payments upon a change in any of the following: in-substance fixed payments, the amounts expected to be payable under residual value guarantees, the index or rate used to determine lease payments, or the assessment or exercise of the purchase option, the renewal option or the option to terminate the lease.

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease of the individual underlying asset with low value, when new, as a lease of low-value assets. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related assets or profit or loss on a straight-line basis over the lease terms.

#### *As a lessor*

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

Rental income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred. Initial direct costs are capitalised and recognised over the lease term on the same basis as rental income, through profit or loss.

### 26. Other significant accounting policies and estimates

#### *Share repurchase*

The considerations and transaction costs incurred in repurchasing own equity instruments are deducted from equity. Equity movements are recognised on the issue (including refinancing), repurchase, sale, or cancellation of the Group's own equity instruments except share-based payments.

# NOTES TO FINANCIAL STATEMENTS

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Other significant accounting policies and estimates (Continued)

#### *Safety fund*

The safety fund accrued pursuant to regulations are recognised as cost of relevant products or profit or loss for the current period, and are recognised as special reserve at the same time. For the utilisation of the fee to pay for safety relevant expenses, the special reserve shall be reversed directly; capitalised expenditure shall be aggregated and recognised in fixed assets when the asset is ready for its intended use. The actual expenditure shall be offset with the balance of special reserve and full depreciation is provided for the asset at the same amount.

#### *Hedge accounting*

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

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

At inception of a hedge relationship, the Group formally designates and documents the hedge relationship, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedge effectiveness, which is the hedging instrument's effectiveness of the changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are assessed on an ongoing basis to determine that they actually have been highly effective throughout the accounting periods for which they were designated.

If the hedging instrument expires or is sold, terminated or exercised without rollover or replacement (as part of the hedging strategy) or when the hedging relationship is not consistent with the risk management objective as the risk management objective has changed or when the hedge no longer meets other criteria of the hedge accounting, the Group will discontinue the hedge accounting.

If a hedging relationship ceases to meet the hedge effectiveness requirements due to the hedge ratio but the risk management objective of designating the hedging relationship remains unchanged, the hedging relationship is rebalanced by the Group.



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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Other significant accounting policies and estimates (Continued)

#### *Hedging accounting (Continued)*

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

#### (1) Fair value hedging

The gain or loss on the hedging instrument is recognised in profit or loss. The gain or loss on the hedged item resulting from hedged exposures is recognised in profit or loss and the carrying amount of the hedged item not measured at fair value is adjusted at the same time.

For fair value hedges relating to debt instruments carried at amortised cost, the adjustment to the carrying amount is amortised through profit or loss over the remaining term of the hedge using the effective interest method. Amortisation using the effective interest method may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. In cases where a hedged item is a debt instrument measured at fair value through other comprehensive income, the hedging gain or loss on the hedged item is amortised in the same manner and recognised in profit or loss, without adjusting the carrying amount of the hedged item. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

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

#### (2) Cash flow hedging

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss.

If the hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the hedged forecast transaction of a non-financial asset or a non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied, the amount accumulated in equity is removed from the cash flow hedge reserve and included in the initial cost of the asset or the liability. For cash flow hedges other than those mentioned above, that amount is reclassified from the cash flow hedge reserve to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Other significant accounting policies and estimates (Continued)

#### *Fair value measurement*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities which can be accessed at the measurement date; Level 2 — based on inputs other than those included within level 1 that are observable for the relevant asset or liability, either directly or indirectly; and Level 3 — based on unobservable inputs for the relevant asset and liability.

At the end of each reporting period, for assets and liabilities measured at fair value that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation.

#### *Related parties*

Where one party controls or jointly controls the other party or exerts significant influence over the other party, and two or more parties are controlled or jointly controlled by one party, they constitute related parties. A related party can be either an individual or an entity. Entities that are only controlled by the state and do not have other related party relationships do not constitute related parties of the Company and its subsidiaries. The related parties of the Company and its subsidiaries include but not limited to:

- (1) Parent of the Company;
- (2) Subsidiaries of the Company;
- (3) Other entities controlled by the parent of the Company;
- (4) Investors that have joint control or significant influence over the Company and its subsidiaries;
- (5) Entities or individuals that are under the same control or joint control with the Company and its subsidiaries;
- (6) Joint ventures of the Company and its subsidiaries, including the subsidiaries of the joint ventures;
- (7) Associates of the Company and its subsidiaries, including the subsidiaries of the joint ventures;

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Other significant accounting policies and estimates (Continued)

#### Related parties (Continued)

- (8) Principal individual investors of the Company and its subsidiaries and close family members of such individuals;
- (9) Key management personnel of the Company and its subsidiaries or of the parent and close family members of such individuals;
- (10) Key management personnel of the parent of the Company;
- (11) Close family members of key management personnel of the parent of the Company;
- (12) Other entities controlled or jointly controlled by the Company's principal individual investors, key management personnel or close family members of such individuals.

In addition to the above-mentioned related parties of the Company and its subsidiaries identified according to CAS, under the requirements of the Order of the China Securities Regulatory Commission issued by the CSRC, the following entities or individuals (including but not limited to) are also regarded as related parties of the Company and its subsidiaries:

- (13) Entities or acting-in-concert person holding over 5% of the Company's shares;
- (14) Individuals directly or indirectly hold more than 5% of the Company's shares and their close family members, and listed company supervisors and their close family members;
- (15) Enterprises that have one of the mentioned (1), (3) and (13) above situations in the past 12 months or in the next 12 months according to relevant agreements;
- (16) Individuals that have one of the mentioned (9), (10) and (14) above situations in the past 12 months or in the next 12 months according to relevant agreements;
- (17) Entities other than the Company and its subsidiaries that are directly or indirectly controlled by (9), (10), (14) and (16) or serve as directors or senior management.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 27. Changes in significant accounting policies and accounting estimates

#### (1). Changes in accounting policies

Guidance for changes in accounting policies	Accounts affected
Compilation of Application Guidance for Accounting Standards for Business Enterprises published in 2024	Financial assets held for trading derivative financial assets
Provisional Regulations on the Accounting Treatment for Enterprise Data Resources (Cai Kuai 2023 No.11)	Not applicable
Accounting Standards for Business Enterprises Interpretation No.17 ("Interpretation No. 17")	Not applicable
Accounting Standards for Business Enterprises Interpretation No.18 ("Interpretation No. 18")	Not applicable

Note 1: In accordance with the *Compilation of Application Guidance for Accounting Standards for Business Enterprises* published in 2024, the Group has changed the presentation of the derivative financial instruments, which were previously presented in "Financial assets held for trading" or "Financial liabilities held for trading", by presenting them separately, and has adjusted the comparative figures in the financial statements retrospectively accordingly. The main impact of the retrospective adjustments caused by the above accounting policy changes on the financial statements is as follows:

The Group

2024

	Before changes in accounting policies Ending balance of last year	Effect on changes in accounting policies	After changes in accounting policies Ending balance of last year
Financial assets held for trading	30,379,509.31	(13,470,040.00)	16,909,469.31
Derivative financial assets	–	13,470,040.00	13,470,040.00

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 27. Changes in significant accounting policies and accounting estimates (Continued)

#### (1). Changes in accounting policies (Continued)

The Group (Continued)

*Note 2:* The Provisional Regulations on the Accounting Treatment for Enterprise Data Resources (Cai Kuai 2023 No.11) issued in 2023 clarifies that data resources which meet the definition and recognition criteria of intangible assets or inventories are recognised as intangible assets, development expenditures or inventories, and are separately presented and disclosed. Since 1 January 2024, the Group has adopted the above requirements prospectively. No data resources assets were recognised by the Group in 2024.

*Note 3:* On 25 October 2023, Accounting Standards for Business Enterprises Interpretation No.17 was issued by the Ministry of Finance of the People's Republic of China. The policies related to Classification of Current Liabilities and Non-current Liabilities, Disclosure of Supplier Financing Arrangements and Accounting Treatment of Sale and Leaseback Transactions came into effect on 1 January 2024. The Group implemented the relevant provisions of Interpretation No. 17 on 1 January 2024. The application of Interpretation No. 17 has no impact on the financial statements of the Group and the Company.

*Note 4:* On 6 December 2024, Accounting Standards for Business Enterprises Interpretation No.18 was issued by the Ministry of Finance of the People's Republic of China. When accounting for provisions arising from warranty-type quality guarantees that do not belong to a single performance obligation, in accordance with the relevant policies of Accounting Standards for Business Enterprises No. 13 – Contingencies, debit accounts such as “Cost of Sales” and “Cost of Other Operations” and credit the “Provisions” account based on the determined amount of estimated liabilities. The amounts shall be presented in items such as “Cost of Sales” in the statement of profit or loss and Other Current Liabilities, Non-current Liabilities Due within One Year, Provision in the statement of financial position accordingly. When the Group first adopted Interpretation No. 18, if the original provision for warranty-type quality guarantees was included in accounts such as “Selling Expenses”, a retrospective adjustment in accordance with the change in accounting policies is required. The Group implemented Interpretation No. 18 on 1 January 2024, and it has no impact on the financial statements of the Group and the Company.

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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 28. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts and disclosure of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainties about these assumptions and estimates could result in outcomes that could cause a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### *Judgements*

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effects on the amounts recognised in the financial statements:

#### *Corporate income tax*

As a result of the fact that certain matters relating to the corporate income taxes have not been confirmed by the local tax bureau as at the end of the reporting period, objective estimates based on currently enacted tax laws, regulations and other related policies are required in determining the provision for corporate income tax expenses to be made for the reporting period. Upon completion of the corporate income tax remittance, where the final tax return of these matters is different from the amounts originally recorded, the differences will be accounted for in the income tax expenses in the period in which the differences are realised.

#### *Exploration expenditure*

After determining the capitalisation amount of exploration expenditures, the Group will regularly evaluate the exploration results. If the reviewed geological exploration report shows that there are no prospecting results or no economically recoverable reserves, or that the economic benefits of mining cannot be achieved and further exploration is unnecessary due to low grade and hard-to-mining, the exploration and development costs previously capitalised will be expensed and recognised in the profit and loss.

#### *Estimation uncertainty*

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

#### *Impairment of financial instruments*

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments. The application of the expected credit loss model requires significant judgements and estimates and the consideration of all reasonable and reliable information, including forward-looking information. In making such judgements and estimates, the Group estimates the projected movements of the debtor's credit risk according to past repayment records, economic policies, macro-economic indicators and industry risks, etc. Different estimates may affect the impairment provision, and the amount of impairment provision may not equal to the actual amount of impairment loss in the future.



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## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 28. Significant accounting judgements and estimates (Continued)

#### *Impairment of non-current assets other than financial assets (excluding goodwill)*

The Group assesses whether there are any indicators of impairment for non-current assets other than financial assets at the end of the reporting period. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its present value of future cash flows. The calculation of the fair value less costs of disposal based on available data from sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs that are directly attributable to the disposal of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

#### *Impairment of goodwill*

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, the present value of future cash flows, which are generated from asset groups or sets of asset groups considered together with the allocated goodwill, is estimated. The Group estimates the present value of future cash flows from asset groups or sets of asset groups by forecasting the related cash flows and selecting a suitable discount rate. For further details, please refer to Note V.15.

#### *Proved mineral reserves*

Proved mineral reserves are estimated based on professional knowledge, experience and industry practice. Generally, the mineral reserve volume estimated based on probing and estimation may not be very accurate. The estimation is updated in accordance with new technologies and new information. Any changes in estimation will have impacts on amounts of mining assets' depreciation and mining rights' amortisation using the units-of-production method, on the stripping ratio which was used in the capitalisation of stripping costs, and on each of the transaction prices of the Metal Streaming Arrangement, etc. This may result in changes of or impacts on the Group's development and operation plan, and hence the Group's operation and operating results.

#### *Deferred tax assets*

To the extent that it is probable that there are sufficient taxable profits to offset the deductible losses, deferred tax assets shall be recognised for all unused deductible losses. Substantial management's judgements regarding the timing, amount of future taxable profit as well as tax planning strategies are needed when estimating the amount of deferred tax assets.

#### *Provision for environmental rehabilitation and restoration of mines*

Pursuant to the regulations of the governmental authorities in the places where the mines are located, the Group recognises provision for environmental rehabilitation and restoration of mines. The amount of provision is an estimate based upon the life of mining tenements, timing of mine closure and cost of such rehabilitation. When this estimate changes, it may affect the Group's operations and performance.

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## IV. TAXES

### 1. Major taxes and tax rates

Major taxes and tax rates

Taxes	Tax calculation bases	Tax rate
Value added tax ("VAT")	Difference between output VAT amount calculated based on sales amount and applicable tax rates and the deductible input VAT amount	China: 0%-13% Laos: 10% Ghana: 15%
City construction and maintenance tax	Actual payment of VAT	1%-7%
Corporate income tax ("CIT")	Assessable profits	0-35%
Resources tax	Sales amount of primary products	China gold products: 4%, 4.5% Laos gold mine and copper cathodes: 5% Ghana gold mines: 5% Hanfeng Mining major mine zinc: 5% China molybdenum: 8%
Urban land utilisation tax	Levied at the annual tax rate per square metre of the actual occupied land area	Based on tax law
Growth and sustainability levy	Total revenue	Ghana: 1%

The corporate income tax rates of tax-paying entities not subject to 25% statutory tax rate are shown in the following table:

Name of tax-paying entity	Corporate income tax rate in 2024
GSR	26.5%
GSWL	35%
LXML	33.33%
Chijin HK	16.5%
Hanfeng Mining	15%
Wulong Mining	15%
Jilong Mining	15%
Jintai Mining	15%
Guangyuan Environmental Protection	0%

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## IV. TAXES (CONTINUED)

### 2. Tax incentive

- (1) Pursuant to the “Notice on Gold Tax Policies” (Caishui 2002 No. 142) issued by the Ministry of Finance and the State Taxation Administration, “the output VAT is exempted for gold production and operation entities selling gold (excluding gold with fineness of AU9999, AU9995, AU999, AU995 and specifications of 50g, 100g, 1kg, 3kg and 12.5kg) and gold ore sand (including associated gold).” Jilong Mining, Huatai Mining, Wulong Mining and Jintai Mining are eligible for this policy.
- (2) Pursuant to Article 27 of the Enterprise Income Tax Law, Article 88 of the Implementation Regulations of the Enterprise Income Tax Law, and Caishui (2009) No. 166, qualified environmental protection, energy conservation, water-saving, and household waste treatment service projects enjoy a “three-year tax exemption followed by a three-year 50% tax reduction” preferential policy. Guangyuan Environmental Protection, a subsidiary of the Company, has been eligible for this policy since 2023, specifically: “Tax exemption in 2023, 2024, and 2025; 50% tax reduction in 2026, 2027, and 2028.”
- (3) Pursuant to the “Notice of Hefei Municipal People’s Government Office on Adjusting the Urban Land Utilisation Tax Grade Tax Rate Standards in Urban Areas” (Hefei Zhengban 2023 No. 21), effective from 1 July 2023, the annual urban land use tax grade tax rate standards in Anhui urban areas were adjusted. Guangyuan Technology, a subsidiary of the Company, has been entitled to the adjusted annual tax rate for its land in the Economic Development Zone from RMB10 per square metre to RMB5 per square metre accordingly.
- (4) In addition to VAT exemption for export business, LXML, a subsidiary of the Company located in Laos, is subject to the “Notice No. 2001” issued by the Laos Ministry of Finance to LXML’s suppliers in June 2017, which specifies types of VAT-exempt transactions. Since 15 May 2017, suppliers listed in the notice have no longer collected VAT from LXML, and the preferential policy allowing VAT carry-over to offset corporate income tax for LXML has been no longer applicable.
- (5) Pursuant to the “Announcement on Continuation of the Corporate Income Tax Policy for Western Development” (Announcement 2020 No.23 issued by the Ministry of Finance, the State Taxation Administration, and National Development and Reform Commission Announcement), enterprises in the western China which are engaged in encouraged industries are entitled to a reduced CIT rate of 15% from 1 January 2021 to 31 December 2030. Hanfeng Mining and Jintai Mining are eligible for this policy.
- (6) Wulong Mining, a subsidiary of the Company, successfully renewed its high-tech enterprise certification with the reference number GR202321002655 on 20 December 2023, the valid period of the certificate is three years. Its CIT tax rate will be 15% from 2023 to 2025.
- (7) Jilong Mining, a subsidiary of the Company, successfully renewed its high-tech enterprise certification with the reference number GR202315000502 on 9 November 2023, the valid period of the certificate is three years. Its CIT tax rate will be 15% from 2023 to 2025.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Cash and bank balances

	31 December 2024	31 December 2023
Cash on hand	618,540.03	776,610.58
Bank deposits	2,516,280,427.07	1,273,858,119.44
Other monetary funds	230,543,475.83	387,648,693.18
Total	2,747,442,442.93	1,662,283,423.20
Including: Total amount deposited outside Mainland China	1,278,511,847.30	550,531,114.20

- (1) As at 31 December 2024, the balance of the other monetary funds RMB230,543,475.83 were in restriction, which includes RMB12,580,180.75 was deposited in specified banks for mine restoration and improvements of ecological environment in mines, which were restricted to use for land restoration and environmental rehabilitation after mine closure; bank deposits with a carrying amount of RMB141,071,348.77 were restricted to use for gold leasing business; bank deposits with a carrying amount of RMB76,891,946.31 was a six-month term deposit from 27 August 2024 to 27 February 2025 and an interest rate of 1.6%.

As at 31 December 2023, the balance of the other monetary funds RMB387,648,693.18 were in restriction, which includes RMB9,824,706.27 were deposited in specified banks for mine restoration and improvements of ecological environment in mines. Which were restricted to use for land restoration and environmental rehabilitation after mine closure; bank deposits with a carrying amount of RMB263,858,986.91 were restricted to use for gold leasing business; bank deposits with a carrying amount of RMB100,000,000.00 represented a one-year large-denomination deposit certificate deposited for gold leasing business from 10 July 2023 to 10 July 2024 and an interest rate of 2.2%; and bank deposits with a carrying amount of RMB13,965,000.00 represented the security deposit for merger and acquisition loans.

- (2) As at 31 December 2024, the Group had no funds deposited overseas with restrictions on repatriation (31 December, 2023: nil).

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 2. Financial assets held for trading

	31 December 2024	31 December 2023
Financial assets at fair value through profit or loss including:		
Investments in equity instrument	9,998,984.68	16,909,469.31
Total	9,998,984.68	16,909,469.31

### 3. Derivative financial assets

	31 December 2024	31 December 2023
Gold futures contract	5,251,800.00	13,470,040.00
Total	5,251,800.00	13,470,040.00

### 4. Trade receivables

(1) An ageing analysis of the trade receivables

	31 December 2024	31 December 2023
Within 1 year	302,904,390.54	208,392,384.83
1-2 years	92,642,615.00	74,703,595.00
2-3 years	74,703,595.00	69,680,465.00
Over 3 years	116,915,138.00	160,454,673.00
Subtotal	587,165,738.54	513,231,117.83
Less: Bad debt provision for trade receivables	—	17,933.22
Total	587,165,738.54	513,213,184.61

The Guangyuan Technology for its trade receivables renders comprehensive resource recycling and utilisation services and has no fixed credit periods. The credit period for trade receivables of other subsidiaries selling major metals such as gold, copper, zinc and copper cathodes is generally within 60 days. Trade receivables are non-interest-bearing.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Trade receivables (Continued)

(2) Disclosure by classification of bad debt provision

31 December 2024

	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision made individually	347,205,358.00	59.13	-	-	347,205,358.00
Bad debt provision based on credit risk characteristics	239,960,380.54	40.87	-	-	239,960,380.54
Total	587,165,738.54	100.00	-	/	587,165,738.54

31 December 2023

	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision made individually	397,481,348.00	77.45	-	-	397,481,348.00
Bad debt provision based on credit risk characteristics	115,749,769.83	22.55	17,933.22	0.02	115,731,836.61
Total	513,231,117.83	100.00	17,933.22	/	513,213,184.61

Details of the trade receivables for which bad debt provision was made individually, are as follows:

	Carrying amount	Bad debt provision	Proportion (%)	Reason	Carrying amount	Bad debt provision	Proportion (%)
			2024				2023
Trade receivables of government subsidies	347,205,358.00	-	-	Government subsidies receivables have high government credit rating and low default risk, and therefore no provision for bad debts is made.	397,481,348.00	-	-



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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Trade receivables (Continued)

#### (2) Disclosure by classification of bad debt provision (Continued)

As at 31 December 2024, details of the trade receivables for which bad debt provision was made individually, are as follows:

	Carrying amount	Bad debt provision	Proportion (%)
Domestic client portfolio	83,981,631.06	—	—
Overseas client portfolio	155,978,749.48	—	—
Total	239,960,380.54	—	—

#### (3) Bad debt provision

The movements of bad debt provision for trade receivables are as follows:

	Opening balance	Provision	Recovery or reversal	Write-off	Closing balance
2024	17,933.22	244,957.88	262,891.10	—	—
2023	460,461.27	17,933.22	460,461.27	—	17,933.22

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Trade receivables (Continued)

- (4) The five largest amounts of closing balance of trade receivables and contract assets analysed by debtor

As at 31 December 2024, the details of the five largest amounts of closing balance of trade receivables and contract assets are as follows:

Name of entity	Closing balance of trade receivables	Proportion to total closing balance of trade receivables and contract assets (%)	Closing balance of bad debt provision
Government subsidies	347,205,358.00	59.13	—
Rand Refinery Ltd.	106,295,546.44	18.10	—
Shanjin Ruipeng (Tianjin) Trading Co., Ltd.	44,586,068.65	7.59	—
China Investment Rare Earth Mining Co., Ltd.	31,807,509.72	5.42	—
Shandong Zhaojin Gold and Silver Refining Co., Ltd.	30,840,173.26	5.25	—
Total	560,734,656.07	95.49	—

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5. Prepayments

(1) The ageing analysis of prepayments is as follows:

	31 December 2024		31 December 2023	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	276,016,620.17	99.83	83,767,283.54	99.79
1-2 years	457,951.13	0.17	154,478.15	0.18
2-3 years	10,000.00	0.00	22,397.63	0.03
Total	276,484,571.30	100.00	83,944,159.32	100.00

(2) As at 31 December 2024, the aggregate amount of five entities with the largest balances of prepayments is as follows:

	Closing balance	Proportion to total balance of prepayments (%)
Aggregate amount	198,665,756.09	71.85

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables

	31 December 2024	31 December 2023
Other receivables	96,187,623.04	95,539,876.98

#### (1) An ageing analysis of other receivables

Ageing	31 December 2024	31 December 2023
Within 1 year	79,923,712.51	88,278,774.66
1-2 years	12,417,606.02	13,791,542.98
2-3 years	8,925,164.89	393,774.60
Over 3 years	295,182.35	98,263.00
Subtotal	101,561,665.77	102,562,355.24
Less: Bad debt provision for other receivables	5,374,042.73	7,022,478.26
Total	96,187,623.04	95,539,876.98

#### (2) Other receivables by nature

Nature	31 December 2024	31 December 2023
Entity transactions	70,786,313.99	70,860,350.80
Employee borrowings, reserves and personal transactions	18,736,944.84	18,350,571.59
Guarantees and deposits	7,728,657.84	9,201,182.94
Government grants	3,847,800.00	3,847,800.00
Insurance claims	385,330.57	263,339.67
Others	76,618.53	39,110.24
Total	101,561,665.77	102,562,355.24

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables (Continued)

(3) Bad debt provision

31 December 2024

	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision made individually	101,561,665.77	100.00	5,374,042.73	5.29	96,187,623.04

31 December 2023

	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision made individually	102,562,355.24	100.00	7,022,478.26	6.85	95,539,876.98

Other receivables for which bad debt provision has been made individually are as follows:

	2024			Reason for provision	2023		
	Carrying amount	Bad debt provision	Proportion (%)		Carrying amount	Bad debt provision	Proportion (%)
Guoyuan Futures Co., Ltd.	37,444,073.17	-	-	Futures margin receivable has relatively low default risk, and therefore no provision for bad debts is made	26,837,460.76	1,341,873.04	5.00
Others	64,117,592.60	5,374,042.73	8.38		75,724,894.48	5,680,605.22	7.50
Total	101,561,665.77	5,374,042.73	/		102,562,355.24	7,022,478.26	/

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables (Continued)

#### (3) Bad debt provision (Continued)

The movement of bad debt provision for other receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month expected credit losses	Entire lifetime expected credit losses	Entire lifetime expected credit losses (credit impairment occurred)	Total
Opening balance	7,022,478.26	–	–	7,022,478.26
Transfers between stages of opening balance during the year	–	–	–	–
Provision during the year	321,798.52	–	–	321,798.52
Reversal during the year	1,970,234.05	–	–	1,970,234.05
Closing balance	5,374,042.73	–	–	5,374,042.73

#### (4) The movements of bad debt provision

	Opening balance	Provision	Movement during the year Recovery or reversal	Write-off	Other movement	Closing balance
2024	7,022,478.26	321,798.52	1,970,234.05	–	–	5,374,042.73
2023	4,139,909.14	3,873,080.25	990,511.13	–	–	7,022,478.26

#### (5) Write-off of other receivables during the year

In 2024, the Group had no other receivables written off (2023: Nil).



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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Other receivables (Continued)

(6) The five largest amounts of closing balance of other receivables analysed by debtor

The five entities with the largest amounts of other receivables as at 31 December 2024 are as follows:

Name of entity	Closing balance	Proportion to total other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Guoyuan Futures Co., Ltd.	37,444,073.17	36.87	Futures account deposit	Within 1 year	–
Dandong Zhen'an District Urban and Rural Construction and Real Estate Development Co., Ltd.	6,000,000.00	5.91	Entities transactions	Over 2 years	3,000,000.00
Shanghai Branch of China Everbright Bank Co., Ltd.	4,306,960.93	4.24	Gold leasing deposit	Within 1 year	–
Riverstone Resources Inc	4,043,475.00	3.98	Entities transactions	1-2 years	–
Hefei Bureau of Industry and Information Technology	3,847,800.00	3.79	Government grants	1-2 years	–
Total	55,642,309.10	54.79			3,000,000.00

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Inventories

#### (1) Inventories by nature

	2024			2023		
	Carrying amount	Provision	Net book value	Carrying amount	Provision	Net book value
Raw materials	1,048,004,586.55	196,414,284.95	851,590,301.60	971,389,052.95	178,410,781.00	792,978,271.95
Work in progress	1,577,437,753.47	-	1,577,437,753.47	1,457,051,643.53	906,086.67	1,456,145,556.86
Finished goods	113,029,537.09	2,225,668.65	110,803,868.44	168,779,153.74	11,603,994.47	157,175,159.27
Consumable materials	486,100.00	-	486,100.00	610,250.00	-	610,250.00
Total	2,738,957,977.11	198,639,953.60	2,540,318,023.51	2,597,830,100.22	190,920,862.14	2,406,909,238.08

#### (2) Provision for inventories

	Opening balance	Additions		Reductions		Closing balance
		Provision	Others	Reversal	Other	
Raw materials	178,410,781.00	22,575,316.32	2,822,033.85	7,393,846.22	-	196,414,284.95
Work in progress	906,086.67	-	-	906,086.67	-	-
Finished goods	11,603,994.47	598,286.56	-	9,976,612.38	-	2,225,668.65
Total	190,920,862.14	23,173,602.88	2,822,033.85	18,276,545.27	-	198,639,953.60

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Inventories (Continued)

#### (2) Provision for inventories (Continued)

Note: "Others" under "Additions" refers to the increase in raw materials, work in progress, and finished goods caused by exchange difference on translation of foreign operations.

	Basis of net realizable value	Basis of the provision for the inventories	Reasons for reversal of provision for inventories
Raw materials/Work in progress	Market price of relevant finished goods	Decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Finished goods	Market price/Spot gold dollar price	Decrease in market price/spot gold dollar price	Increase in market price/spot gold in USD price

Provision for inventories classified by category of inventories is as follows:

	2024			2023		
	Carrying amount	Provision	Proportion (%)	Carrying amount	Provision	Proportion (%)
Raw materials	1,048,004,586.55	196,414,284.95	18.74	971,389,052.95	178,410,781.00	18.37
Work in progress	1,577,437,753.47	-	-	1,457,051,643.53	906,086.67	0.06
Finished goods	113,029,537.09	2,225,668.65	1.97	168,779,153.74	11,603,994.47	6.88
Reusable materials	486,100.00	-	-	610,250.00	-	-
Total	2,738,957,977.11	198,639,953.60	/	2,597,830,100.22	190,920,862.14	/

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 8. Other current assets

	31 December 2024	31 December 2023
Margin deposits for futures	87,136,340.00	77,934,428.80
Prepaid CIT	—	81,067.76
Deductible VAT	33,156,484.14	25,095,243.31
Professional service fees for IPO listing in Hong Kong Stock Market	21,040,455.87	—
Total	141,333,280.01	103,110,739.87

Note: As at 31 December 2024, the margin deposits for futures of RMB87,136,340.00 in the group's other current assets is in restriction. (31 December 2023: RMB77,934,428.80).

### 9. Long-term receivables

	31 December 2024			31 December 2023			
	Carrying amount	Bad debt provision	Net book value	Carrying amount	Bad debt provision	Net book value	Discount rate
Sublease receivables	1,190,808.13	—	1,190,808.13	2,865,414.93	—	2,865,414.93	6.5%
Total	1,190,808.13	—	1,190,808.13	2,865,414.93	—	2,865,414.93	/

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 10. Long-term equity investments

Investments In Associates

Investee	Opening balance	Additions	Reductions	Movements during the year		Closing balance	of impairment provision
				Investment income/ (losses) under the equity method	Exchange differences on translation of foreign operation		
Shanghai Chijin Fengyu New Energy Technology Co., Ltd. ("Fengyu New Energy")	1,544,855.83	-	-	(148,634.34)	-	1,396,221.49	-
Beijing Guohong Gold Co., Ltd. ("Guohong Gold")	-	1.00	-	21,948.83	-	21,949.83	-
Shanghai Chijin Enbo Technology Partnership (Limited Partnership) ("Enbo Technology")	622,274.35	1,890,000.00	-	-	-	2,512,274.35	-
Shanghai Enbo Chijin New Energy Technology Co., Ltd. ("Enbo New Energy")	6,300.00	18,900.00	-	-	-	25,200.00	-
Tietto Minerals Limited ("Tietto Minerals")	371,307,147.25	-	380,035,648.90	7,320,797.94	1,407,703.71	-	-
Total	373,480,577.43	1,908,901.00	380,035,648.90	7,194,112.43	1,407,703.71	3,955,645.67	-

On 30 October, 2023, Zhaojin Capital (Hong Kong) Co., Ltd. ("Zhaojin Capital") (an indirect wholly-owned subsidiary of Zhaojin Mining Industry Co., Ltd.) submitted a bidder's statement to the shareholders of Tietto Minerals, which proposed a conditional offer to acquire all the issued shares of Tietto Minerals at an offer price of Australian dollar ("AUD") 0.58 per share (which was subsequently increased to AUD0.68 per share on 15 April 2024). ChiJin Hong Kong accepted the offer and transferred all of its 140,855,864 shares in Tietto Minerals to Zhaojin Capital for a total consideration of AUD95.782 million (equivalent to approximately RMB456 million). Since then, the Group has no longer held any share in Tietto Minerals.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Fixed assets

	31 December 2024	31 December 2023
Fixed assets	<b>6,399,516,327.75</b>	5,821,912,823.93

#### (1) Movements of fixed assets

	Buildings	Well construction and auxiliary facilities	Machinery	Vehicles	Electronic equipments and others	Total
<b>Cost</b>						
Opening balance	1,296,837,262.00	5,748,116,882.06	6,411,469,650.31	859,320,646.65	150,914,860.66	14,466,659,301.68
Purchases	2,248,034.60	3,252,489.19	39,579,869.11	5,801,273.70	3,148,550.28	54,030,216.88
Transferred from construction in progress	285,307,035.33	908,633,727.60	156,863,368.59	19,538,072.67	4,817,651.49	1,375,159,855.68
Disposals or write-off	(3,220,142.75)	-	(914,845.14)	-	(31,313.67)	(4,166,301.56)
Exchange differences on foreign currency translation	12,301,964.49	67,194,399.12	89,169,938.45	12,442,084.00	1,495,270.19	182,603,656.25
Others	-	109,368,396.52	(970,000.00)	(3,725,000.00)	(41,954.82)	104,631,441.70
Closing balance	1,593,474,153.67	6,836,565,894.49	6,695,197,981.32	893,377,077.02	160,303,064.13	16,178,918,170.63
<b>Accumulated depreciation</b>						
Opening balance	701,986,628.51	2,158,041,943.60	5,000,128,234.45	661,359,479.93	123,230,191.26	8,644,746,477.75
Charge for the year	63,690,408.59	514,404,100.86	309,776,430.94	57,019,503.45	10,673,439.97	955,563,883.81
Disposals or write-off	(2,837,980.60)	-	(121,275.43)	-	(21,501.79)	(2,980,757.82)
Exchange differences on foreign currency translation	8,633,019.17	28,585,771.65	73,843,486.75	10,091,231.55	1,344,625.77	122,498,134.89
Others	-	63,010,413.03	(302,071.30)	(3,094,380.40)	(39,857.08)	59,574,104.25
Closing balance	771,472,075.67	2,764,042,229.14	5,383,324,805.41	725,375,834.53	135,186,898.13	9,779,401,842.88
<b>Impairment provision</b>						
Opening and Closing balance	-	-	-	-	-	-
<b>Net book value</b>						
At the end of the year	822,002,078.00	4,072,523,665.35	1,311,873,175.91	168,001,242.49	25,116,166.00	6,399,516,327.75
At the beginning of the year	594,850,633.49	3,590,074,938.46	1,411,341,415.86	197,961,166.72	27,684,669.40	5,821,912,823.93

#### (2) Fixed assets that were temporarily idle

As at 31 December 2024, the Group had no fixed assets that were temporarily idle.



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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Fixed assets (Continued)

#### (3) Fixed assets leased out under operating leases

At 31 December 2024, fixed assets leased out under operating leases were as follows:

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	4,277,203.14	3,210,971.24	–	1,066,231.90

At 31 December 2023, fixed assets leased out under operating leases were as follows:

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	6,419,050.04	2,898,220.82	–	3,520,829.22

#### (4) As at 31 December 2024, fixed assets of which certificates of title have not been obtained were as follows:

	Net book value	Reason why certificates of title have not been obtained
No. 5 Plant of Guangyuan Technology	976,791.78	In progress
No. 1 Office Building of Guangyuan Technology	1,130,000.00	In progress
No. 2 Office Building of Guangyuan Technology	423,750.00	In progress

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Fixed assets (Continued)

#### (5) Impairments of fixed assets

In 2024, some mines were in the status of production suspension for technical transformation. The management assessed that there were indications of impairment for the fixed assets, intangible assets, and construction-in-progress in these mines. As a result, the management engaged appraisers to conduct impairment tests on the asset groups. When conducting the impairment tests, the management determined the recoverable amount of the asset groups based on the present value of the expected future cash flows. The present value of the expected future cash flows of the asset groups was determined by integrating the forecast data of the future mineable years approved by the management and the estimates of future market and economic conditions. The main parameters used for the mine asset groups included mine reserves, production schedules, future sales volumes, selling prices, production costs, and discount rates. The forecast period for the impairment tests was determined based on the mine reserves and the production capacity of the mines. The Group determined the discount rate based on the weighted average cost of capital (WACC). The calculated pre-tax discount rates ranged from 10.94% to 13.66% (2023: 11.97% to 14.12%).

Based on the results of the impairment tests, the Group did not make any impairment provisions for the fixed assets during the year (In 2023: Nil).

As at 31 December 2024, certain fixed assets of the Group were pledged as collateral for the Group's long-term borrowings. For details, please refer to Note V.29.

### 12. Construction in progress

	31 December 2024	31 December 2023
Construction in progress	677,866,937.65	592,313,143.29
Less: Impairment provision	—	—
Total	677,866,937.65	592,313,143.29

#### Impairment of construction in progress

In 2024, some mines were in the status of production suspension for technical transformation. The management assessed that there were indications of impairment for the fixed assets, intangible assets, construction-in-progress in these mines, and engaged appraisers to conduct impairment tests on the asset groups. For the specific details of the impairment tests, please refer to Note V. 11.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Construction in progress (Continued)

Movements of material construction in progress during the year

The movements of material construction in progress are as follows:

Project Name	Budget	Opening balance	Additions	Transferred to fixed assets	Exchange differences on foreign currency translation	Closing balance	Source of funds	Progress of project (%)
Downward excavation of the new Luofengmao shaft in Jilong Mining	35,711,700.00	22,418,517.40	11,278,151.79	-	-	33,696,669.19	Self-funding	94%
Expansion of the new concentrator of Jilong Mining	166,000,000.00	38,603,793.99	127,270,259.56	165,106,132.17	-	767,921.38	Self-funding	99%
600,000 tons per year expansion project for the Lishan mining area of Tianbaoshan lead-zinc mine in Hanfeng Mining	218,704,500.00	100,350,790.33	92,799,516.16	156,978,333.32	-	36,171,973.17	Self-funding	88%
Tunneling project of the Eighth Mining Area in Huatai Mining	39,000,000.00	38,066,303.22	-	-	-	38,066,303.22	Self-funding	98%
LXML Improvement of the extended area of the western tailings storage	141,861,042.78	19,342,496.24	71,043,937.96	42,797,998.51	559,952.87	48,148,388.56	Self-funding	64%
LXML WTFS development project	162,183,186.27	-	131,438,449.58	70,977,775.12	566,259.03	61,026,933.49	Self-funding	81%
LXML the first-stage construction project of the underground drainage pumping station	24,448,796.10	15,766,673.46	7,379,225.44	-	304,408.82	23,450,307.72	Self-funding	96%
LXML regrinding mill project	50,670,895.50	16,103,228.21	31,875,220.54	-	538,854.61	48,517,303.36	Self-funding	96%
LXML resin leaching project	67,656,150.00	-	37,952,430.65	-	355,452.65	38,307,883.30	Self-funding	57%

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13. Right-of-use assets

	Buildings	Machinery	Leasehold land	Total
<b>Cost</b>				
Opening balance	17,861,817.59	213,252,137.67	75,226,868.30	306,340,823.56
Additions	2,508,075.22	–	2,329,269.81	4,837,345.03
Exchange differences on foreign currency translation	59,366.19	3,182,508.22	–	3,241,874.41
Closing balance	20,429,259.00	216,434,645.89	77,556,138.11	314,420,043.00
<b>Accumulated depreciation</b>				
Opening balance	13,292,381.31	45,415,694.53	9,803,297.20	68,511,373.04
Charge for the year	5,199,630.65	25,939,984.55	7,252,183.03	38,391,798.23
Exchange differences on foreign currency translation	41,394.74	677,769.62	–	719,164.36
Closing balance	18,533,406.70	72,033,448.70	17,055,480.23	107,622,335.63
<b>Net book value</b>				
At the end of the year	1,895,852.30	144,401,197.19	60,500,657.88	206,797,707.37
At the beginning of the year	4,569,436.28	167,836,443.14	65,423,571.10	237,829,450.52

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14. Intangible assets

	Land use rights	Trademarks	Patents	Exploration and mining rights	Forest land use rights	Exploration and evaluation assets	Other intangible assets	Total
<b>Cost</b>								
Opening balance	108,935,113.05	336,000.00	6,714,748.35	9,865,835,220.81	567,680.00	303,349,363.57	70,634,659.94	10,356,372,785.72
Purchases	6,475,621.00	-	-	-	-	60,813,806.31	2,147,783.67	69,437,210.98
Disposals or write-off	-	(36,000.00)	-	-	-	-	(67,900.00)	(103,900.00)
Reclassification	-	-	-	130,126,641.63	-	(130,126,641.63)	-	-
Exchange differences on foreign currency translation	-	-	-	132,134,547.92	-	766,572.82	1,011,772.99	133,912,893.73
Other decrease	-	-	-	-	-	(140,932,920.37)	-	(140,932,920.37)
Closing balance	115,410,734.05	300,000.00	6,714,748.35	10,128,096,410.36	567,680.00	93,870,180.70	73,726,316.60	10,418,686,070.06
<b>Accumulated amortisation</b>								
Opening balance	14,461,744.67	321,000.00	3,965,667.77	3,603,691,039.02	114,395.97	98,601,869.24	55,864,519.50	3,777,020,236.17
Amortisation provided for the year	1,821,728.03	15,000.00	575,604.88	277,268,288.20	10,321.44	-	3,401,177.84	283,092,120.39
Disposals or write-off	-	(36,000.00)	-	-	-	-	(67,900.00)	(103,900.00)
Reclassification	-	-	-	35,438,101.26	-	(35,438,101.26)	-	-
Exchange differences on foreign currency translation	-	-	-	48,003,678.56	-	-	847,365.18	48,851,043.74
Other decrease	-	-	-	-	-	(63,163,767.98)	-	(63,163,767.98)
Closing balance	16,283,472.70	300,000.00	4,541,272.65	3,964,401,107.04	124,717.41	-	60,045,162.52	4,045,695,732.32
<b>Impairment provision</b>								
Opening and Closing balance	-	-	-	53,995,800.00	-	-	-	53,995,800.00
<b>Net book value</b>								
At the end of the year	99,127,261.35	-	2,173,475.70	6,109,699,503.32	442,962.59	93,870,180.70	13,681,154.08	6,318,994,537.74
At the beginning of the year	94,473,368.38	15,000.00	2,749,080.58	6,208,148,381.79	453,284.03	204,747,494.33	14,770,140.44	6,525,356,749.55

In 2024, some mines were in the status of production suspension for technical transformation. The management assessed that there were indications of impairment for the fixed assets, intangible assets, construction-in-progress in these mines, and therefore engaged appraisers to conduct impairment tests on the asset groups. For the specific details of the impairment tests, please refer to Note V. 11.

As at 31 December 2024, certain intangible assets of the Group were pledged as collateral for the Group's long-term borrowings. For details, please refer to Note V. 29.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Goodwill

#### (1) Carrying amount of goodwill

	Opening balance and closing balance
Guangyuan Technology	41,968,889.08

#### (2) Impairments of goodwill

As at 31 December, 2024, the cost of the Group's goodwill was RMB41,968,889.08 (31 December 2023: RMB41,968,889.08), which arose when the Group acquired its subsidiary, Guangyuan Technology in 2015. The Group regards the above-mentioned subsidiary as a separate CGU related to the goodwill. The CGU mainly includes various long-term assets related to the goodwill, which are the same as the CGU determined during the impairment tests on the acquisition date and in previous years. The products produced by the CGU are traded in an active market and can generate cash flows independently. For the purpose of internal management, this CGUs is classified as other segment.

The goodwill formed through business combinations is subject to impairment testing at the end of each year. The impairment testing of the goodwill is as follows:

Beijing Shengming Asset Appraisal Co., Ltd. ("Shengming Appraisal") was engaged by the group to appraise the goodwill and related CGU arising from the acquisition of Guangyuan Technology and issued an appraisal report.

	Guangyuan Technology
Cost of goodwill	41,968,889.08
Provision for impairment of goodwill	–
Book value of goodwill	41,968,889.08
Value of the goodwill unrecognised attributable to the non-controlling interests	34,338,181.97
Total value of the goodwill including the unrecognised amount attributable to the non-controlling interests	76,307,071.05
Book value of the CGU	72,387,019.48
Book value of the CGU including the total value of goodwill	148,694,090.53
Present value of the future cash flows expected to be derived from the asset group (recoverable amount)	161,242,800.00
Impairment losses of goodwill	–



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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Goodwill (Continued)

#### (2) Impairments of goodwill (Continued)

According to the Asset Appraisal Report on the Present Value of Expected Future Cash Flows Involved in the Impairment Testing of the Goodwill arising from the Acquisition of Anhui Guangyuan Technology Development Co., Ltd. (Shengming Ping Bao Zi 2025 No.111) issued by Shengming Appraisal, the recoverable amount of the CGU of Guangyuan Technology is determined based on the present value of the expected future cash flows. According to the 5-year financial forecast approved by the management, the growth rates of the dismantling volume of waste electrical and electronic products from 2025 to 2029 during the forecast period are 14%, 10%, 7%, 5%, and 4% respectively, and the dismantling volume of waste electrical and electronic products will remain stable starting from 2030. The Group determines the discount rate based on WACC, and the calculated pre-tax discount rate is 8.61%.

According to result of the impairment test, the Group's goodwill was not impaired in 2024.

### 16. Long-term deferred expense

	Opening balance	Addition	Amortisation	Other reductions	Closing balance
License fees for mining right	399,062.50	—	48,750.00	—	350,312.50
Total	399,062.50	—	48,750.00	—	350,312.50

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 17. Deferred tax assets/liabilities

#### (1) Deferred tax assets before offsetting

	31 December 2024		31 December 2023	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Bad debt provision for receivables	5,239,831.87	821,357.03	6,998,040.40	1,123,511.80
Provision for inventories	5,663,860.45	1,064,772.96	16,010,161.24	2,695,907.25
Provisions – land restoration obligations	177,224,868.34	48,923,533.60	195,423,987.70	54,906,198.06
Deferred income	6,838,500.83	1,063,925.09	1,755,500.75	251,462.59
Deductible tax losses	–	–	10,635,520.57	2,658,880.14
Changes in fair value	107,738,300.00	16,160,745.00	96,954,440.00	14,543,166.00
Lease liabilities	164,313,102.17	57,509,585.76	182,091,248.57	63,731,937.00
Differences of depreciation and amortisation for tax purposes	150,383,256.30	50,127,752.10	–	–
Other	64,421,163.52	9,556,602.59	71,698,747.73	11,505,846.79
Total	681,822,883.48	185,228,274.13	581,567,646.96	151,416,909.63

#### (2) Deferred tax liabilities before offsetting

	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value	5,251,800.00	787,770.00	14,054,240.00	2,108,136.00
Differences of depreciation and amortisation for tax purposes	1,217,598,882.55	416,852,092.52	1,033,854,992.30	357,795,940.37
Fixed assets – land restoration obligations	66,828,997.55	11,129,048.63	72,332,167.63	11,869,053.66
Business combination not under common control	5,594,835,235.49	1,958,192,332.42	5,726,917,418.34	2,004,421,096.42
Right-of-use assets	144,401,197.20	50,540,419.02	168,049,242.86	58,817,235.00
Other	67,354,802.42	10,103,220.37	85,507,083.31	13,577,097.13
Total	7,096,270,915.21	2,447,604,882.96	7,100,715,144.44	2,448,588,558.58

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 17. Deferred tax assets/liabilities (Continued)

(3) Net balance of the deferred tax assets and deferred tax liabilities after offsetting

	31 December 2024		31 December 2023	
	Offset amount	Closing balance after offsetting	Offset amount	Closing balance after offsetting
Deferred tax assets	117,999,627.69	67,228,646.44	133,934,455.68	17,482,453.95
Deferred tax liabilities	117,999,627.69	2,329,605,255.27	133,934,455.68	2,314,654,102.90

(4) Details of the unrecognised deferred tax assets

	31 December 2024	31 December 2023
Deductible temporary differences – bad debt provision for receivables	134,210.86	32,074.48
Deductible temporary differences – provisions for land restoration obligations	1,103,791.07	–
Deductible temporary differences -others	–	261,082.24
Deductible tax losses	360,793,545.04	293,139,506.37
Total	362,031,546.97	293,432,663.09

(5) Deductible tax losses of unrecognised deferred tax assets will expire in the following years:

	31 December 2024	31 December 2023	Note
2024	–	37,569,401.62	/
2025	4,668,142.74	48,166,676.36	/
2026	46,636,666.58	46,219,031.37	/
2027	134,244,057.17	98,315,258.33	/
2028	44,907,991.32	62,869,138.69	/
2029	73,693,030.17	–	Not yet authorized by the tax authorities
2030 and the following years	56,643,657.06	–	/
Total	360,793,545.04	293,139,506.37	/

It is probable that sufficient taxable profit will be available against which deductible tax losses and temporary differences can be utilised in the future, except those that were not recognised as deferred tax assets. Therefore, the Group recognised the related deferred tax assets.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 18. Other non-current assets

	31 December 2024			31 December 2023		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Mine restoration and improvement of ecological environment in mines fund	113,848,420.90	-	113,848,420.90	102,974,284.03	-	102,974,284.03
Prepayments for equipments	14,095,804.80	-	14,095,804.80	37,937,601.84	-	37,937,601.84
Prepayments for construction in progress	10,001,963.48	-	10,001,963.48	67,872,167.03	-	67,872,167.03
Payments for acquisition	68,570,147.60	-	68,570,147.60	-	-	-
Vegetation recovery payments	-	-	-	20,000.00	-	20,000.00
Less: amount due within one year	-	-	-	-	-	-
Total	206,516,336.78	-	206,516,336.78	208,804,052.90	-	208,804,052.90

On 4 March 2024, the Group signed the “Equity Transfer Agreement” with China Investment (Property) Co., Ltd. The subsidiary Chixia Laos intends to acquire 90% of the equity interest in China Investment Mining (Laos) Sole Co., Ltd. (“Target Company”) held by China Investment (Property) Co., Ltd. (“the Counterparty to the Transaction”) in the form of cash and assumption of debts. The total transaction consideration is US\$18,963,000. As at 31 December 2024, the Group’s advance payment for the equity acquisition was RMB68,570,147.60. As of the date of this report, the registration procedures such as the transfer of the equity of the Target Company and the change of the company name in this transaction have been completed. All parties to the transaction have confirmed in writing that the transaction has been completed, and the Target Company has become a subsidiary within the scope of the Group’s consolidated financial statements.

As at 31 December 2024, the balance of the other non-current assets (including the portion due within one year) RMB113,848,420.90 was in restriction (31 December 2023: RMB102,974,284.03) for the mine restoration and improvement of ecological environment in mines fund which cannot be withdrawn at any time.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 19. Assets with restricted ownership or right of use

	Carrying amount	Reasons of being restriction
Cash and cash equivalents	230,543,475.83	Please refer to Note V.1 to the financial statements
Other current assets	87,136,340.00	Please refer to Note V.8 to the financial statements
Other non-current assets	113,848,420.90	Please refer to Note V.18 to the financial statements
Fixed assets	232,604,622.13	Please refer to Note V.11 to the financial statements
Intangible assets	55,418,562.78	Please refer to Note V.14 to the financial statements
Total	719,551,421.64	

### 20. Short-term borrowings

	31 December 2024	31 December 2023
Guaranteed borrowings	313,337,113.18	249,372,234.12
Gold lease	494,636,974.72	–
Credit borrowings	300,225,077.77	600,637,083.33
Total	1,108,199,165.67	850,009,317.45

As at 31 December 2024, the currency of the short-term borrowings included RMB and US dollar (as 31 December 2023: RMB, US dollar and Lao kip). As at 31 December 2024, the annual interest rates of the above-mentioned borrowings ranged from 2.35% to 5.70% (31 December 2023: from 2.45% to 7.50%).

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20. Short-term borrowings (Continued)

#### Guaranteed borrowings

As at 31 December 2024, the Group provided guarantees for the bank borrowings of Jilong Mining, Guangyuan Technology, and LXML, amounting to RMB313,337,113.18 (31 December 2023: the Group provided guarantees for the bank loans of Jilong Mining, Guangyuan Technology, and LXML, amounting to RMB249,372,234.12).

#### Gold lease

When leasing gold, the Group simultaneously enters into a forward contract with the same bank that provides the gold lease. The forward contract has the same quantity, specifications and maturity date as those of the gold lease. It is agreed that on the maturity date, the Group will purchase from the bank gold of the same quantity and specifications at the agreed RMB price, which will be used to repay the leased gold. The Group believes that under this business model of gold lease, the risk of fluctuations in the gold price during the gold lease period is entirely borne by the bank, and the Group only bears the agreed gold lease fees and related handling fees. Therefore, the Group recognised the leased gold as short-term borrowings.

As at 31 December 2024, the Group provided guarantees for the gold lease by Jilong Mining amounting to RMB275,999,890.00 (31 December 2023: Nil).

As at 31 December 2024, the Group had no overdue and unpaid short-term borrowings (31 December 2023: Nil).

### 21. Financial liabilities held for trading

	31 December 2024	31 December 2023
Financial liabilities at fair value through profit or loss	707,020,000.00	939,996,400.00
Including:		
Gold lease	707,020,000.00	939,996,400.00
Total	707,020,000.00	939,996,400.00

The Group signs gold lease contracts with banks for financing purposes, leases gold within the bank's credit line, sells the gold through the trading system of the Shanghai Gold Exchange, buys gold of the same quantity and specifications through the system before the lease expiration date, repays gold to the bank on the expiration date, and also pays the agreed lease fees on schedule (generally on the same day as the bank's quarterly interest payment date). The lease term is generally within one year (inclusive). The year-end balance of the gold lease liability represents the fair value of the gold leased from banks as of the reporting date.



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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 22. Trade payables

Trade payables do not bear interest and are usually settled within 2 months.

	31 December 2024	31 December 2023
Payables for procurement of materials	283,881,250.13	294,715,959.39
Payables for services	210,723,785.00	81,857,326.06
Payables for constructions	118,326,565.73	124,569,952.16
Payables for equipment	44,902,109.55	32,579,066.13
Payables for transportation	22,798,835.44	14,700,883.26
Payables for mining rights and exploration right	—	334,607.36
Others	3,938,637.89	3,699,464.39
Total	684,571,183.74	552,457,258.75

As at 31 December 2024, an ageing analysis of the trade payables, based on the invoice dates, is as follows:

Ageing	31 December 2024	31 December 2023
Within 1 year	664,369,929.71	537,605,966.55
1-2 years	17,022,892.99	12,469,027.39
2-3 years	2,548,603.73	1,913,734.84
Over 3 years	629,757.31	468,529.97
Total	684,571,183.74	552,457,258.75

As at 31 December 2024, there were no significant trade payables aged over 1 year (as at 31 December 2023: Nil).

### 23. Contract liabilities

	31 December 2024	31 December 2023
Advances from sales of goods	4,469,498.46	9,162,613.29
Contract liabilities of Metal Streaming Arrangement	52,129,450.57	64,014,659.76
Total	56,598,949.03	73,177,273.05

Note: Further details of the Metal Streaming Arrangement, please refer to Note V. 34.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 24. Employee benefits payable

	Opening balance	Additions	Reductions	Closing balance
Short-term employee benefits	166,396,015.41	1,369,509,967.17	1,368,157,513.92	167,748,468.66
Post-employment benefits – defined contribution plan	34,874.13	34,218,232.75	34,209,962.17	43,144.71
Termination benefits	–	10,049,919.34	6,567,957.56	3,481,961.78
Other benefits due within one year	8,427,725.41	–	8,427,725.41	–
Total	174,858,614.95	1,413,778,119.26	1,417,363,159.06	171,273,575.15

Short-term employee benefits:

	Opening balance	Additions	Reductions	Closing balance
Wages or salaries, bonuses, allowances and subsidies	116,227,204.20	1,091,278,407.15	1,087,733,113.94	119,772,497.41
Staff welfare	18,729,776.68	195,193,736.76	197,432,154.54	16,491,358.90
Social security contributions	363,261.17	29,361,778.69	29,400,985.51	324,054.35
Including: Medical insurance	362,741.59	25,910,937.87	25,950,294.51	323,384.95
Work-related injury insurance	519.58	3,426,479.17	3,426,329.35	669.40
Maternity insurance	–	24,361.65	24,361.65	–
Housing funds	46,468.80	2,373,295.04	2,402,395.84	17,368.00
Employee union fund and employee education fund	9,220,726.64	34,018,989.81	32,869,907.15	10,369,809.30
Short-term paid absences	21,808,577.92	16,984,569.82	18,019,767.04	20,773,380.70
Other short-term employee benefits	–	299,189.90	299,189.90	–
Total	166,396,015.41	1,369,509,967.17	1,368,157,513.92	167,748,468.66

Defined contribution plan:

	Opening balance	Additions	Reductions	Closing balance
Basic retirement insurance	33,786.24	33,059,173.87	33,051,122.83	41,837.28
Unemployment insurance	1,087.89	1,159,058.88	1,158,839.34	1,307.43
Total	34,874.13	34,218,232.75	34,209,962.17	43,144.71

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 25. Tax payable

	31 December 2024	31 December 2023
CIT	548,456,058.08	267,692,897.02
Resources tax	125,924,561.33	179,281,106.47
Individual income tax	14,034,020.32	7,034,558.67
Value-added tax	4,859,509.23	16,970,314.59
Others	5,677,196.14	2,006,873.49
Total	698,951,345.10	472,985,750.24

### 26. Other payables

	31 December 2024	31 December 2023
Other payables	225,263,620.79	316,105,510.91

Other payables by nature

	31 December 2024	31 December 2023
Entities transactions	127,788,761.47	213,741,627.07
Deposit and margin	39,381,993.69	40,984,465.57
Consideration payables for acquiring a subsidiary (Note)	32,643,060.00	40,800,000.00
Overdue fines and penalties	12,916,183.00	12,916,183.00
Withholding of employee payments	5,696,347.81	2,100,666.99
Others	6,837,274.82	5,562,568.28
Total	225,263,620.79	316,105,510.91

Note: The consideration payables represent the payables for acquiring a subsidiary of Kunming Xinhenghe Mining Co., Ltd. ("Xinhenghe Mining") in 2023 that the Group has not paid.

As at 31 December 2024, there were no significant other payables aged more than one year except for the acquisition payment above.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 27. Non-current liabilities due within one year

	31 December 2024	31 December 2023	
Long-term borrowings due within one year	282,332,391.58	218,315,494.31	Please refer to Note V.29 to the financial statements
Lease liabilities due within one year	37,840,407.18	38,083,308.83	Please refer to Note V.30 to the financial statements
Long-term payables due within one year	5,786,190.51	9,485,313.42	Please refer to Note V.31 to the financial statements
Provisions due within one year	72,504,936.80	75,747,498.99	Please refer to Note V.32 to the financial statements
Total	398,463,926.07	341,631,615.55	

### 28. Other current liabilities

	31 December 2024	31 December 2023
Output VAT to be transferred	506,030.14	1,023,015.98
Others	166,741.62	164,290.38
Total	672,771.76	1,187,306.36

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 29. Long-term borrowings

Classification of long-term borrowings

	31 December 2024	31 December 2023
Secured and pledged borrowings	604,206,806.86	1,511,450,898.89
Guaranteed borrowings	277,628,570.58	128,838,699.96
Subtotal	881,835,377.44	1,640,289,598.85
Less: Current portion of long-term borrowings	282,332,391.58	218,315,494.31
Total	599,502,985.86	1,421,974,104.54

As at 31 December 2024, the long-term borrowings included RMB loans and foreign currency loans, with the principal of RMB648,560,000.00 and US\$33,000,000.00 respectively (31 December 2023: RMB loans and foreign currency loans, with the principal of RMB922,040,000.00 and US\$102,500,000.00 respectively). As at 31 December 2024, the annual interest rates of the above-mentioned borrowings ranged from 3.20% to 5.69% (31 December 2023: from 3.50% to 9.15%).

#### (1) Secured and pledged borrowings

As at 31 December 2024, the Group's long-term borrowings of RMB403,376,482.29 were secured by 100% of the equity of Wulong Mining, 100% of the equity of Jilong Mining, and 100% of the equity of Chijin Hong Kong as pledges, and intangible assets with net book value of RMB55,418,562.78 as the collateral (31 December 2023: long-term borrowings of RMB570,734,853.11 were secured by 100% of the equity of Wulong Mining, 100% of the equity of Jilong Mining, and 100% of the equity of Chijin Hong Kong as pledges, and intangible assets with net book value of RMB59,106,036.67 as the collateral).

As at 31 December 2024, the Group's long-term borrowings of RMB200,830,324.57 were secured by the fixed assets of Wulong Mining with the net book value of RMB162,997,409.17 and the fixed assets of Jilong Mining with the net book value of RMB69,607,212.96 (31 December 2023: long-term borrowings of RMB301,986,409.51 were secured by the fixed assets of Wulong Mining with the net book value of RMB199,246,782.04 and the fixed assets of Jilong Mining with the net book value of RMB80,141,722.17).

As at 31 December 2023, the Group's long-term borrowing of RMB638,729,636.27 were secured by the intangible assets of GSWL with net book value of RMB5,367,383,773.16, and the borrowings had been fully repaid as at 31 December 2024.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 29. Long-term borrowings (Continued)

Classification of long-term borrowings (Continued)

#### (2) Guaranteed borrowings

As at 31 December 2024, the Group provided guarantees for the bank loans of Guangyuan Technology amounting to RMB39,998,803.65 and those of LXML amounting to approximately RMB237,629,766.93 (31 December 2023: the Group provided guarantees for the bank loans of Guangyuan Technology amounting to RMB40,020,313.17 and those of LXML amounting to approximately RMB88,818,386.79).

The analysis of the maturity dates of long-term borrowings is as follows:

	31 December 2024	31 December 2023
Within 1 year or repayable on demand	282,332,391.58	218,315,494.31
1-2 years	379,571,871.75	987,758,488.68
2-5 years	219,931,114.11	434,215,615.86
Total	881,835,377.44	1,640,289,598.85

### 30. Lease liabilities

	31 December 2024	31 December 2023
Lease liabilities	217,436,431.65	245,302,797.42
Less: Current portion of lease liabilities	37,840,407.18	38,083,308.83
Total	179,596,024.47	207,219,488.59

	31 December 2024	31 December 2023
Opening balance	245,302,797.42	261,982,341.68
New leases	4,837,345.03	25,977,078.42
Interest recognised during the year	11,067,559.76	12,340,188.53
Exchange differences on foreign currency translation	2,795,333.41	3,104,807.51
Payments during the year	(46,566,603.97)	(58,101,618.72)
Closing balance	217,436,431.65	245,302,797.42



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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 30. Lease liabilities (Continued)

The analysis of the maturity dates of lease liabilities is as follows:

	31 December 2024	31 December 2023
Within 1 year or repayable on demand	37,840,407.18	38,083,308.83
1-2 years	28,571,618.79	30,654,453.65
2-5 years	91,157,344.26	85,943,084.76
Over 5 years	59,867,061.42	90,621,950.18
Total	217,436,431.65	245,302,797.42

### 31. Long-term payables

	31 December 2024	31 December 2023
Long-term payables	59,167,832.67	62,474,516.56

Long-term payables by nature

	31 December 2024	31 December 2023
Mining rights transfer fee	64,954,023.18	71,959,829.98
Less: Current portion of long-term payables	5,786,190.51	9,485,313.42
Total	59,167,832.67	62,474,516.56

The analysis of the maturity dates of long-term payables is as follows:

	31 December 2024	31 December 2023
Within one year or repayable on demand	5,786,190.51	9,485,313.42
1-2 years	6,071,669.43	3,306,683.89
2-5 years	20,072,891.89	19,128,731.28
Over 5 years	33,023,271.35	40,039,101.39
Total	64,954,023.18	71,959,829.98

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 32. Provisions

	31 December 2024	31 December 2023
Provision for environmental rehabilitation and restoration of mines – domestic subsidiaries	72,153,136.19	73,272,187.22
Provision for environmental rehabilitation and restoration of mines – LXML	1,677,809,540.72	1,747,707,740.52
Provision for environmental rehabilitation and restoration of mines – GSWL	106,175,522.97	122,866,856.85
Subtotal	1,856,138,199.88	1,943,846,784.59
Less: Current portion of provisions	72,504,936.80	75,747,498.99
Total	1,783,633,263.08	1,868,099,285.60

	Opening balance	Additions	Reductions	Exchange differences on foreign currency translation	Closing balance
Provision for environmental rehabilitation and restoration of mines – domestic subsidiaries	73,272,187.22	6,114,505.04	7,233,556.07	–	72,153,136.19
Provision for environmental rehabilitation and restoration of mines – LXML	1,747,707,740.52	4,682,565.89	99,836,099.47	25,255,333.78	1,677,809,540.72
Provision for environmental rehabilitation and restoration of mines – GSWL	122,866,856.85	1,685,738.86	20,178,837.52	1,801,764.78	106,175,522.97
Total	1,943,846,784.59	12,482,809.79	127,248,493.06	27,057,098.56	1,856,138,199.88

The provision represents environmental rehabilitation and restoration of mines based on estimation of the lives of mining tenements, timing of mine closure and costs of rehabilitation to be incurred at mine closure, and will be re-estimated based on the updated plans of rehabilitation of mine sites.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 33. Deferred income

	Opening balance	Additions	Reductions	Closing balance	Assets/income related
Special subsidies for Tianbaoshan environmental rehabilitation and technological transformation and restructuring of enterprises	433,333.86	–	99,999.96	333,333.90	Asset-related
Subsidy funds related to re-modification of mineral processing plant	547,666.89	–	123,999.96	423,666.93	Asset-related
Subsidies for new projects granted by Hefei Economic and Information Commission	474,500.00	–	93,000.00	381,500.00	Asset-related
Special Fund for the High-quality Development of the Manufacturing Industry	300,000.00	–	–	300,000.00	Asset-related
Enterprise Development Support Funds of the Bureau of Industry and Information Technology	–	5,400,000.00	–	5,400,000.00	Asset-related
Total	1,755,500.75	5,400,000.00	316,999.92	6,838,500.83	

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 34. Other non-current liabilities

	31 December 2024	31 December 2023
Contract liabilities – Metal Streaming Arrangement	596,094,797.55	576,998,558.54

*Note:* GSR, acquired by the Group in 2022, had the following transaction: In May 2015, GSR entered into a gold purchase and sale agreement (the “Metal Streaming Arrangement”) with RGLD Gold AG through its subsidiary Caystar Finance Co., in which GSR obtained USD145,000,000 from RGLD Gold AG. GSR committed to deliver a portion of its future gold production to RGLD Gold AG. The agreement is divided into two phases. In the first phase, GSR fulfilled its delivery obligation with 10.5% of its gold production, and RGLD Gold AG shall pay for the gold at 20.0% of the spot gold price until GSR completed the delivery of 240,000.00 ounces of gold. Thereafter the second phase begins, 5.5% of gold production will be delivered at 30% of spot gold price. As at 31 December 2024, GSR delivered an accumulated 189,690.23 ounces of gold to RGLD Gold AG.

Based on the estimation of the ore reserves of GSR as at 31 December 2024, the Group expects that the delivery obligation of the Metal Streaming Arrangement will be satisfied in 2049.

The movements of contract liabilities – Metal Streaming Arrangement in 2024 are as follows:

	Gold delivery obligation
Opening balance	641,013,218.30
Revenue recognised from delivery of gold	(46,479,178.54)
Financial expenses	16,962,257.89
Adjustment of variable consideration	27,183,523.63
Exchange differences on foreign currency translation	9,544,426.84
Closing balance	648,224,248.12
Including: Contract liabilities due within one year (Note V. 23)	52,129,450.57
Closing balance	596,094,797.55

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 35. Share capital

	Opening and closing balance
Share capital	1,663,911,378.00

### 36. Capital reserve

	Opening balance	Additions	Reductions	Closing balance
Share premium	626,613,563.85	122,955.79	–	626,736,519.64
Other	300,910,000.00	–	300,910,000.00	–
Total	927,523,563.85	122,955.79	300,910,000.00	626,736,519.64

As at 31 December 2024, the unlocking criteria for the Group's Phase II Employee Stock Ownership Plan were satisfied, and the plan was officially unlocked on 28 April 2024. The exercise of stock options by employees during 2024 resulted in a reduction of the capital reserve. For details about the Phase II Employee Stock Ownership Plan, please refer to Note XIII.

### 37. Treasury shares

	Opening balance	Additions	Reductions	Closing balance
Repurchase of shares of the Group for the purpose of Employee Stock Ownership Plan	520,802,985.20	–	300,787,044.21	220,015,940.99

The exercise of the shares under the Phase II Employee Stock Ownership Plan has been completed as of 31 December 2024, resulting in a decrease in the Company's treasury shares. For details of the Phase II Employee Stock Ownership Plan, please refer to Note XIII.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 38. Other comprehensive income

	Opening balance	Amount before tax	Less: Income tax	Amount for the current year		Closing balance
				Attributable to shareholders of the parent	Attributable to non-controlling interests	
Other comprehensive income that may be reclassified to profit or loss in subsequent periods	64,708,488.77	108,863,230.64	-	81,001,811.86	27,861,418.78	145,710,300.63
Exchange differences arising from translation of financial statements denominated in foreign currencies	64,708,488.77	108,863,230.64	-	81,001,811.86	27,861,418.78	145,710,300.63
Total	64,708,488.77	108,863,230.64	-	81,001,811.86	27,861,418.78	145,710,300.63

### 39. Special reserve

	Opening balance	Additions	Reductions	Closing balance
Safety fund	1,431,986.36	34,707,661.55	32,791,771.00	3,347,876.91

### 40. Surplus reserve

	Opening balance	Additions	Reductions	Closing balance
Statutory surplus reserve	203,724,471.82	66,058,379.15	-	269,782,850.97

Pursuant to the stipulations of the Company Law of the PRC and the Articles of Associations of the Company, the Company shall make provision for statutory surplus reserve at the amount of 10% of net profit. Provision for statutory surplus reserve is optional if the aggregate balance of the statutory surplus reserve reaches 50% of the Company's registered capital.



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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 41. Retained earnings

	2024	2023
Opening balance	3,811,493,217.07	3,079,159,820.20
Add: Net profit attributable to shareholders of the parent	1,764,339,650.99	803,933,636.60
Less: Appropriation to statutory surplus reserve	66,058,379.15	71,600,239.73
Less: Cash dividends payable for ordinary shareholders	82,436,438.90	–
Closing balance	5,427,338,050.01	3,811,493,217.07

Pursuant to the resolution of the Board of Directors on 29 March 2024, the proposed 2023 profit distribution was based on the total of 1,663,911,378 shares as at the end of 2023, net of 15,182,600 Shares held in the repurchase securities account, totalling 1,648,728,778 shares. A cash dividend of RMB0.50 per 10 shares (before tax deduction) would be distributed to all shareholders, totalling RMB82,436,438.90. This proposal was approved by the shareholders at the shareholders' meeting on 19 April 2024, and all dividends were fully paid by 31 December 2024.

Pursuant to the resolution of the Board of Directors on 28 March 2025, the proposed 2024 profit distribution will be based on the number of shares eligible for distribution as determined on the record date specified in the implementation announcement of the 2024 profit distribution. A cash dividend of RMB1.60 per 10 Shares (before tax deduction) will be distributed to all shareholders. As at 28 March 2025, the Company has 1,869,563,378 issued Shares, resulting in a total proposed cash dividend of RMB299,130,140.48. This proposal shall be subject to the approval at the shareholders' meeting.

### 42. Revenue and cost of sales

	2024		2023	
	Revenue	Cost of sales	Revenue	Cost of sales
Principal operations	8,975,777,607.84	5,027,961,649.88	7,216,352,442.02	4,867,662,960.26
Other operations	50,044,214.38	40,808,828.53	4,599,094.24	952,113.07
Total	9,025,821,822.22	5,068,770,478.41	7,220,951,536.26	4,868,615,073.33

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 42. Revenue and cost of sales (Continued)

The disaggregated information of revenue and cost of sales

	Domestic mining		Overseas mining		Others		Total	
	Revenue	Cost of sales	Revenue	Cost of sales	Revenue	Cost of sales	Revenue	Cost of sales
Main types of products								
Gold	2,147,798,795.92	615,126,921.46	5,830,658,047.33	3,616,702,663.26			7,978,456,843.25	4,231,829,584.72
Silver	8,424,961.47	4,133,147.86					8,424,961.47	4,133,147.86
Copper cathodes			407,334,926.11	364,462,458.22			407,334,926.11	364,462,458.22
Copper concentrate	20,359,687.51	7,664,728.50					20,359,687.51	7,664,728.50
Lead concentrate	57,419,874.96	21,014,677.71					57,419,874.96	21,014,677.71
Zinc concentrate	122,193,933.00	79,600,709.40					122,193,933.00	79,600,709.40
Molybdenum concentrate	123,285,540.04	87,597,095.36					123,285,540.04	87,597,095.36
Comprehensive resource recycling and utilisation					258,301,841.50	231,659,248.11	258,301,841.50	231,659,248.11
Others	1,658,985.18	783,536.72	3,165,741.37		45,219,487.83	40,025,291.81	50,044,214.38	40,808,828.53
Main business areas								
Mainland China	2,481,141,778.08	815,920,817.01			303,521,329.33	271,684,539.92	2,784,663,107.41	1,087,605,356.93
Laos			3,339,794,435.91	2,243,066,116.41			3,339,794,435.91	2,243,066,116.41
Ghana			2,901,364,278.90	1,738,099,005.07			2,901,364,278.90	1,738,099,005.07
Timing of revenue recognition								
At a point in time	2,481,141,778.08	815,920,817.01	6,241,034,403.01	3,981,165,121.48	302,052,615.06	271,261,099.16	9,024,228,796.15	5,068,347,037.65
Over time			124,311.80		1,468,714.27	423,440.76	1,593,026.07	423,440.76
Total	2,481,141,778.08	815,920,817.01	6,241,158,714.81	3,981,165,121.48	303,521,329.33	271,684,539.92	9,025,821,822.22	5,068,770,478.41

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 42. Revenue and cost of sales (Continued)

Revenue recognised during the current year for amounts included in contract liabilities at the beginning of the year is as follows:

	2024	2023
Advances from sales of goods	9,162,613.29	1,227,090.17
Metal Streaming Arrangement	46,479,178.54	52,324,090.23
Total	55,641,791.83	53,551,180.40

Information about the Group's performance obligations is as follows:

#### Sale of goods

The Group sells commodities such as gold, electrolytic copper cathodes etc., and zinc to clients, and recognises revenue when customers gain the control of goods. Prepayments received from clients before delivery of goods are recognised as contract liabilities in the consolidated financial statements. The sales arrangement related to the Metal Streaming Arrangement is detailed in Note V. 34. The Group acts as the principal and assumes no obligation to refund to clients or to provide quality assurances.

#### Rendering of services

The Group provides dismantling services for waste electrical and electronic products. It recognises the fund subsidy income based on type and quantity under of waste electrical and electronic products under multiplied by corresponding fund payment standard. The Group acts as the principal and assumes no obligation to refund to clients or to provide quality assurances.

As at 31 December 2024, the estimated timing for revenue recognition from performance obligations under existing contracts that remain unfulfilled or incompletely fulfilled:

	2024	2023
Within 1 year	56,598,949.03	73,177,273.05
Over 1 year	596,094,797.55	576,998,558.54
Total	652,693,746.58	650,175,831.59

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 43. Taxes and surcharges

	2024 年	2023 年
Resources tax	426,929,862.15	361,713,926.97
Growth and sustainability levy	32,013,806.61	15,627,875.70
Land use tax	6,199,997.82	5,128,188.57
Educational surcharges	2,023,304.18	1,501,793.97
Real estate tax	1,977,562.37	1,865,082.90
Stamp tax	1,555,538.29	968,199.42
City maintenance and construction tax	1,215,772.93	1,270,265.76
Water resources tax	524,012.30	490,360.00
Water conservancy funds	373,823.24	231,646.16
Others	226,168.72	220,404.17
Total	473,039,848.61	389,017,743.62

### 44. Selling expenses

	2024	2023
Labour expenses	239,633.60	267,898.80
Consumption of materials	27,797.78	115,697.86
Traveling expenses	1,759.20	15,169.72
Others	79,554.56	290,291.96
Total	348,745.14	689,058.34

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 45. Administrative expenses

	2024	2023
Labour expenses	265,025,247.80	253,727,900.48
Office and travelling expenses	53,197,067.44	56,070,018.23
Professional service expenses	65,161,622.86	51,402,012.25
Depreciation and amortisation	35,122,389.35	47,885,847.08
Lease expenses	18,129,261.88	15,974,773.49
Insurance premium	11,019,301.05	13,709,602.18
Entertainment expenses	4,859,283.33	5,007,389.49
Consumption of materials	12,235,562.15	3,340,802.62
Environmental protection expenses	1,338,631.81	747,257.35
Others	26,198,353.69	13,506,451.42
Total	492,286,721.36	461,372,054.59

Among the above administrative expenses, the auditor's remuneration amounted to RMB3,907,779.63 (2023: RMB9,340,536.32).

### 46. Research and development expenses

	2024	2023
Labour expenses	33,597,651.00	23,333,646.38
Materials expenses	13,297,130.94	12,771,752.47
Power expenses	8,064,954.66	8,371,878.52
Depreciation expenses	5,740,271.85	4,608,736.26
Test fee for trial products	1,486,506.92	603,210.51
Others	1,429,383.33	2,063,287.81
Total	63,615,898.70	51,752,511.95

The research and development expenditures of the Group are all expensed.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 47. Financial expenses

	2024	2023
Interest expenses	208,992,302.95	215,026,005.65
Less: Interest income	38,389,697.15	26,322,305.17
Financial institution commissions	23,686,982.94	24,593,492.92
Foreign exchange gains/losses	(38,925,714.29)	(20,157,898.22)
Total	155,363,874.45	193,139,295.18

### 48. Other income

	2024	2023
Government grants relating to daily operating activities	2,386,570.99	16,950,168.86
Fees refunded for individual income tax withheld	262,525.77	309,412.29
Total	2,649,096.76	17,259,581.15

### 49. Investment income

	2024	2023
Investment income from long-term equity investments under equity method	7,194,112.43	9,949,884.57
Investment income received from disposal of financial assets and liabilities held for trading	581,209.17	3,551,081.24
Investment income from disposal of long-term equity investments	71,118,528.80	—
Total	78,893,850.40	13,500,965.81

### 50. Losses on the changes in fair value

Source of the changes in fair value	2024	2023
Financial assets held for trading	(6,758,713.94)	(21,385,165.46)
Derivative financial instruments	(8,802,440.00)	13,470,040.00
Financial liabilities held for trading	(10,783,860.00)	(63,428,030.00)
Total	(26,345,013.94)	(71,343,155.46)



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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 51. Expected credit losses/(reversal)

	2024	2023
Reversal of bad debt provision for trade receivables	17,933.22	442,528.05
Reversal/(losses) of bad debt provision for other receivables	1,648,435.53	(2,882,569.12)
Total	1,666,368.75	(2,440,041.07)

### 52. Asset impairment losses

	2024	2023
Impairment losses on inventories	(4,897,057.61)	(3,515,914.93)

### 53. Losses on disposal of assets

	2024	2023
Losses on disposal of fixed assets	(51,568.59)	(1,752,179.77)

### 54. Non-operating income

	2024	Non-recurring profit or loss in 2024	2023	Non-recurring profit or loss in 2023
Income from waste disposal	327,515.42	327,515.42	353,610.03	353,610.03
Income from counter-party default and penalty	616,944.20	616,944.20	339,593.00	339,593.00
Government grants not related to daily operating activities	58,000.00	58,000.00	—	—
Others	32,593.46	32,593.46	454,839.15	454,839.15
Total	1,035,053.08	1,035,053.08	1,148,042.18	1,148,042.18

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 55. Non-operating expenses

	Non-recurring profit or loss		Non-recurring profit or loss	
	2024	in 2024	2023	in 2023
Losses on write-off of non-current assets	314,631.93	314,631.93	101,174.60	101,174.60
Donations	865,000.00	865,000.00	222,000.00	222,000.00
Penalties and compensations	4,468,511.35	4,468,511.35	2,642,950.41	2,642,950.41
Others	296,747.74	296,747.74	–	–
Total	5,944,891.02	5,944,891.02	2,966,125.01	2,966,125.01

### 56. Income tax expenses

Income tax expenses

	2024	2023
Current income tax expenses	902,726,163.23	480,868,532.92
Deferred income tax expenses	(69,288,658.93)	(145,658,552.72)
Total	833,437,504.30	335,209,980.20

The adjustment process between accounting profit and income tax expense

	2024	2023
Profit before tax	2,819,402,093.38	1,206,256,972.15
Tax expense calculated at the statutory tax rate of 25%	704,850,523.35	301,564,243.04
Effect of different tax rates of subsidiaries	98,798,240.96	25,076,774.70
Adjustments in respect of current tax of previous periods	23,656,770.91	–
Profits and losses attributable to associates	(1,176,260.28)	(1,565,804.85)
Non-taxable income	(13,123,401.63)	–
Non-deductible expenses	17,690,705.50	10,143,777.30
Tax losses utilised from previous periods	(5,040,478.34)	(6,591,206.40)
Unrecognised deductible temporary differences and tax losses	16,856,247.24	14,160,387.47
Tax benefit for qualifying research and development expenses and wages for disabled employees	(9,074,843.41)	(7,578,191.06)
Income tax expense at the effective rate of the Group	833,437,504.30	335,209,980.20

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 57. Note to the statement of cash flows

#### (1). Cash flow related to operating activities

	2024	2023
Other cash receipts relating to operating activities		
Government grants	7,732,096.84	13,094,781.23
Interest on deposits received for the year	35,833,939.08	26,223,110.17
Deposits received	8,126,537.94	7,477,411.00
Entities transactions	81,469,509.99	27,474,626.90
Default and penalty	616,944.20	339,593.00
Margin for product hedging business	59,778,862.51	–
Others	2,092,715.68	808,449.18
Total	195,650,606.24	75,417,971.48
Other cash payments relating to operating activities		
Entities transactions	50,250,794.77	49,216,082.38
Commissions	14,980,730.77	24,593,492.92
Compensation and donation	5,333,511.35	2,034,904.86
Deposits paid	7,728,657.84	11,476,806.57
Margin for product hedging business	162,735,532.43	–
Other administrative expenses	162,939,108.02	143,679,723.20
Total	403,968,335.18	231,001,009.93

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 57. Note to the statement of cash flows (Continued)

#### (2). Cash flow related to investing activities

	2024	2023
Material cash receipts relating to investing activities		
Investment income obtained from the disposal of the associates	456,401,170.53	—
Total	456,401,170.53	—
Other cash receipts relating to investing activities		
Margin refund for futures and other investment business	353,934,999.93	248,839,227.27
Total	353,934,999.93	248,839,227.27
Other cash payments relating to investing activities		
Margin for futures and other investment businesses	167,724,898.98	279,774,145.15
Total	167,724,898.98	279,774,145.15

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 57. Note to the statement of cash flows (Continued)

#### (3). Cash flow received relating to financing activities

	2024	2023
Other cash receipts relating to financing activities		
Gold lease business	626,571,283.15	739,958,980.00
Margin deposits related to gold lease and other financing activities	487,845,159.84	242,518,328.77
Retrieval of the loan margin	13,965,000.00	–
Receipt of subscription for share-based payment	–	300,910,000.00
Total	1,128,381,442.99	1,283,387,308.77
Other cash payments relating to financing activities		
Gold lease business	1,080,413,295.93	560,673,550.00
Repurchase of treasury shares for share-based payment	–	220,015,940.99
Repayment to related party loan	110,900,000.00	300,040,000.00
Lease payment	46,566,603.97	58,101,618.72
Listing fees	21,040,455.87	–
Margin deposits related to gold lease and other financing activities	329,465,053.26	363,855,930.10
Payment of loan guarantee deposit and commissions	17,089,228.00	–
Others	15,406.89	–
Total	1,605,490,043.92	1,502,687,039.81

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 57. Note to the statement of cash flows (Continued)

#### (3). Cash flow received relating to financing activities (Continued)

The movements in various liabilities arising from financing activities are as follows:

	Opening balance	Additions		Reductions		Closing balance
		Cash changes	Non-cash changes	Cash change	Non-cash changes	
Short-term borrowings	850,009,317.45	1,107,931,745.78	41,941,516.21	891,683,413.77	-	1,108,199,165.67
Financial liabilities held for trading	939,996,400.00	626,571,283.15	220,865,612.78	1,080,413,295.93	-	707,020,000.00
Long-term borrowings (including non-current liabilities within one year)	1,640,289,598.85	273,159,200.00	115,657,128.26	1,147,270,549.67	-	881,835,377.44
Lease liabilities (including non-current liabilities within one year)	245,302,797.42	-	18,700,238.20	46,566,603.97	-	217,436,431.65
Total	3,675,598,113.72	2,007,662,228.93	397,164,495.45	3,165,933,863.34	-	2,914,490,974.76



# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 58. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

Supplementary information	2024	2023
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	1,985,964,589.08	871,046,991.95
Add: Provisions for asset impairment	4,897,057.61	3,515,914.93
Credit impairment losses/(reversals)	(1,666,368.75)	2,440,041.07
Depreciation of fixed assets	955,563,883.81	879,426,975.75
Depreciation of right-of-use assets	38,391,798.23	35,520,830.21
Amortisation of intangible assets	283,092,120.39	585,180,911.58
Amortisation of long-term deferred expenses	48,750.00	84,750.00
Losses from disposal of fixed assets, intangible assets and other non-current assets	51,568.59	1,752,179.77
Losses on write-off of fixed assets	314,631.93	101,174.60
Losses on changes in fair value	26,345,013.94	71,343,155.46
Financial expenses	170,066,588.66	194,868,107.43
Investment income	(78,893,850.40)	(13,500,965.81)
(Increase)/decrease in deferred tax assets	(48,153,307.70)	37,238,361.38
Decrease in deferred tax liabilities	(21,135,351.23)	(182,896,914.10)
Increase in inventories	(102,653,839.56)	(143,829,772.82)
Increase in receivables from operating activities	(259,529,363.53)	(296,570,915.95)
Increase in payables from operating activities	315,776,738.63	157,359,515.91
Net cash flows from operating activities	3,268,480,659.70	2,203,080,341.36
<b>2. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	2,516,898,967.10	1,274,634,730.02
Less: Opening balance of cash	1,274,634,730.02	1,052,544,506.50
Net increase in cash and cash equivalents	1,242,264,237.08	222,090,223.52

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 58. Supplementary information to the statement of cash flows (Continued)

#### (2) Net cash paid for acquisitions of subsidiaries

	2024	2023
Cash and cash equivalents paid for business combinations in the current year	<b>8,156,940.00</b>	20,400,000.00
Including: Xinhenghe Mining	<b>8,156,940.00</b>	20,400,000.00
Less: Cash and cash equivalents obtained from acquisitions of subsidiaries at acquisition date	—	2,304,571.84
Including: Xinhenghe Mining	—	2,304,571.84
Net cash paid for the acquisitions of subsidiaries	<b>8,156,940.00</b>	18,095,428.16

Note: In 2024, in addition to the matters mentioned above, the net cash paid for the acquisitions of subsidiaries also included the cash paid by the Group for the acquisition of China Investment Mining (Laos) Sole Co., Ltd. For further details, please refer to Note V.18.

#### (3) Composition of cash and cash equivalents

	2024	2023
I. Cash	<b>2,516,898,967.10</b>	1,274,634,730.02
Including: Cash on hand	<b>618,540.03</b>	776,610.58
Bank deposits that can be drawn on demand	<b>2,516,280,427.07</b>	1,273,858,119.44
II. Closing balance of cash and cash equivalents	<b>2,516,898,967.10</b>	1,274,634,730.02
Including: Restricted cash and cash equivalents held by the Group	—	—

The monetary funds of the Group that are not classified as cash and cash equivalents are other monetary funds. Please refer to Note V.1.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Monetary items denominated in foreign currencies

Monetary items denominated in foreign currencies

	Original currency	Exchange rate	Equivalent to RMB
<b>Cash and cash equivalents</b>			
Including:			
EUR	89,136.66	7.5257	670,815.76
RMB	317,645.19	1.0000	317,645.19
GHC	177,162,688.73	0.5011	88,776,223.32
LAK	59,415,798,846.69	0.0003	17,824,739.65
AUD	16,121,717.94	4.5070	72,660,582.76
THB	1,957,727.10	0.2126	416,212.78
CAD	12,198.94	5.0498	61,602.21
GBP	394,584.65	9.0765	3,581,447.58
HKD	6,464,591.99	0.9260	5,986,212.18
USD	100,393.67	7.1884	721,669.86
<b>Trade payables</b>			
Including:			
EUR	785,381.11	7.5257	5,910,542.62
GBP	42,578.51	9.0765	386,463.85
AUD	1,736,002.73	4.5070	7,824,164.30
ZAR	5,947,586.12	0.3819	2,271,383.14
GHC	417,792,453.69	0.5011	209,355,798.54
LAK	16,758,693,862.00	0.0003	5,027,608.16
THB	43,936,182.00	0.2126	9,340,832.29
CNY	7,636,335.00	1.0000	7,636,335.00
CAD	5,762.90	5.0498	29,101.49
SGD	32,398.00	5.3214	172,402.72
NZD	3,300.00	4.4991	14,847.03
<b>Other receivables</b>			
Including:			
HKD	3,475.58	0.9260	3,218.39
AUD	2,217.53	4.5070	9,994.41
<b>Trade receivables</b>			
Including:			
LAK	342,364,178.00	0.0003	102,709.25

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Monetary items denominated in foreign currencies (Continued)

Monetary items denominated in foreign currencies (Continued)

	Major place of overseas business	Accounting currency	Basis for adoption of accounting currency
GSR	Ghana	USD	Main trading currency
Chijin HK	Hong Kong	USD	Main trading currency
LXML	Laos	USD	Main trading currency

### 60. Leases

(1) As lessee

	2024	2023
Interest expense on lease liabilities	11,067,559.76	12,340,188.53
Expense relating to short-term leases	16,129,333.87	15,926,409.67
Expense relating to leases of low-value assets	1,999,928.01	42,300.00
Income from sublease of right-of-use assets	124,311.80	176,128.37
Total cash outflow related to leases	64,695,865.85	74,070,328.39

Note: The Group's leased assets include buildings and structures, machinery and equipment, land use rights, transportation equipment and other equipment used in its operations. Leases of buildings and machinery generally have lease terms of 3 to 10 years. Leases of land use right generally have lease terms of 2 to 20 years. Leases of transportation equipment and other equipment are usually leased on a short-term basis.

Other information related to leases

For right-of-use assets, please refer to Note V. 13. For the practical expedients for short-term leases and leases of low-value assets, please refer to Note III. 25. For lease liabilities, please refer to Note V. 30.

# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 60. Leases (Continued)

#### (2) As lessor

##### Operating leases

The Group has entered into operating leases on some of its houses and buildings, and the lease term is 1 year. According to the lease contract, the rent is adjusted on an annual basis according to market rents.

Profit or loss relating to operating leases is as follows:

	2024	2023
Lease income	1,468,714.27	722,357.10

Pursuant to the operating lease agreements entered into with lessees, the undiscounted lease payments to be received under operating leases are as follows:

	2024	2023
Within 1 year, inclusive	1,468,714.27	722,357.10
Total	1,468,714.27	722,357.10

The fixed assets leased out under operating leases are included in Note V. 11.

##### Finance leases

The profit or loss relating to finance leases is as follows:

	2024	2023
Finance income on net investments in leases	124,311.80	176,128.37

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 60. Leases (Continued)

#### (2) As lessor (Continued)

Finance leases (Continued)

The minimum lease receivables under non-cancellable leases with its tenants were as follows:

	2024	2023
Within 1 year (inclusive)	1,700,620.46	2,470,807.05
1-2 years (inclusive)	—	1,399,107.70
Subtotal	1,700,620.46	3,869,914.75
Less: Unearned finance income	509,812.33	1,004,499.82
Net investments in leases	1,190,808.13	2,865,414.93

### 61. Earnings per share

	2024 RMB/share	2023 RMB/share
Basic earnings per share		
Continuing operations	1.07	0.49
Diluted earnings per share		
Continuing operations	1.07	0.49

Basic earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares issued during the period.

The numerator of diluted earnings per share is determined by using the net profit attributable to the Company's ordinary shareholders during the period, after adjusting (1) the interest on dilutive potential ordinary shares recognised as an expense for the period, (2) the gains or expenses to be incurred upon conversion of dilutive potential ordinary shares, and (3) the income tax effect related to the above adjustments.



# NOTES TO FINANCIAL STATEMENTS

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 61. Earnings per share (Continued)

The denominator of diluted earnings per share is equal to the sum of the followings: (1) the weighted average number of ordinary shares issued by the parent company in the basic earnings per share; and (2) the weighted average number of ordinary shares increased by assuming the conversion of dilutive potential ordinary shares into ordinary shares.

In calculating the weighted average number of ordinary shares increased by assuming the conversion of dilutive potential ordinary shares into ordinary shares, dilutive potential ordinary shares issued in prior periods are assumed to be converted at the beginning of the current period, and dilutive potential ordinary shares issued in the current period are assumed to be converted on the date of issuance.

The detailed calculation of basic earnings per share and diluted earnings per share is listed as below:

	2024	2023
Earnings		
Net profit attributable to the ordinary shareholders of the Company for the period		
Continuing operations	1,764,339,650.99	803,933,636.60
Net profit attributable to ordinary shareholders of the Company for the period after adjustment.	1,764,339,650.99	803,933,636.60
Shares attributable to:		
Continuing operations	1,764,339,650.99	803,933,636.60
Shares		
The weighted average number of ordinary shares issued by the Company	1,648,728,778.00	1,641,398,872.00

The Group does not have any dilutive potential ordinary shares.

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## VI. RESEARCH AND DEVELOPMENT EXPENSES

For the research and development expenses classified by nature, please refer to Note V. 46.

In 2024, there were no research and development expenses that met the capitalisation conditions in the Group (2023: Nil).

## VII. CHANGES IN THE SCOPE OF CONSOLIDATION

### 1. Changes in the scope of consolidation due to other reasons

On 12 October 2024, Chijin International (HK) Limited newly established a subsidiary, Chijin Fengtai (Chifeng) Trading Co., Ltd., with its registered address in Chifeng City, Inner Mongolia, and registered capital of RMB34 million.

On 24 October 2024, Chijin International (HK) Limited newly established a subsidiary, Chijin Metal Investment Holding Co., Ltd., with its registered address in the British Virgin Islands and registered capital of US\$50,000.

On 3 January 2025, Chijin (Tianjin) Geological Exploration Technology Co., Ltd. was dissolved.



# NOTES TO FINANCIAL STATEMENTS

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## VIII. EQUITY INTERESTS IN OTHER ENTITIES

### 1. Equity interests in subsidiaries

Composition of the Group

2024

Name of subsidiary	Place of major business	Place of registration	Nature of business	Percentage of equity interest (%)			Method of acquisition
				Registered capital	Direct	Indirect	
Jilong Mining	Chifeng, Inner Mongolia	Chifeng, Inner Mongolia	Gold mining	RMB175,000,000	100.00	–	Acquisition
Huatai Mining	Chifeng, Inner Mongolia	Chifeng, Inner Mongolia	Gold mining	RMB 20,000,000	–	100.00	Acquisition
Wulong Mining	Dandong, Liaoning	Dandong, Liaoning	Gold mining	RMB 40,000,000	–	100.00	Acquisition
Dandong Tongxing Mineral Processing Co., Ltd.	Dandong, Liaoning	Dandong, Liaoning	Gold ore processing and smelting	RMB 5,000,000	–	100.00	Acquisition
Hanfeng Mining	Jilin	Jilin	Non-ferrous metal mining and selection	RMB 429,200,000	100.00	–	Acquisition
Xinhenghe Mining	Kunming, Yunnan	Kunming, Yunnan	Management services	RMB 40,000,000	51.00	–	Acquisition
Jintai Mining (Note 1)	Dali, Yunnan	Dali, Yunnan	Gold mining	RMB 41,710,000	–	45.90	Acquisition
Guangyuan Technology	Hefei, Anhui	Hefei, Anhui	Disassembly of waste electrical and electronic equipment	RMB 44,776,000	55.00	–	Acquisition
Hefei Huanchuang	Hefei, Anhui	Hefei, Anhui	Disassembly of waste electrical and electronic equipment	RMB 10,000,000	–	55.00	Newly established
Guangyuan Environmental Protection	Hefei, Anhui	Hefei, Anhui	Disassembly of waste electrical and electronic equipment	RMB 10,000,000	–	55.00	Newly established
Chijin Fengyu	Shanghai	Shanghai	Trade, import and export of goods or technology	RMB 100,000,000	100.00	–	Newly established
Xiamen Chijin Xiawu Metal Resources Limited ("Chijin Xiawu")	Xiamen	Xiamen	Trade of non-ferrous metal	RMB 400,000,000	51.00	–	Newly established
CHIXIA Laos Holdings Limited ("Chixia Laos")	Cayman Islands	Cayman Islands	Investment and investment management business	USD50,000	–	51.00	Newly established

# NOTES TO FINANCIAL STATEMENTS

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## VIII. EQUITY INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Equity interests in subsidiaries (Continued)

Composition of the Group (Continued)

2024 (Continued)

Name of subsidiary	Place of major business	Place of registration	Nature of business	Percentage of equity interest (%)			Method of acquisition
				Registered capital	Direct	Indirect	
Chijin Laos Holdings Limited ("Chijin Laos")	Cayman Islands	Cayman Islands	Investment and investment management business	152,100,000	100.00	–	Acquisition
LXML	Laos	Laos	Gold and non-ferrous metal mining and selection	LAK1,436,516,830,000	–	90.00	Acquisition
Chijin HK	Hong Kong	Hong Kong	Investment and investment management business	HKD1 USD291,000,000	100.00	–	Newly established
Golden Star Resources (Note 2)	Canada	Canada	Investment and investment management business	USD932,928,540.97	–	62.00	Acquisition
Caystar Holdings	Cayman Islands	Cayman Islands	Investment and investment management business	USD391,958,327.78	–	62.00	Acquisition
Caystar Finance Co.	Cayman Islands	Cayman Islands	Finance and sales business	USD49,942,491.69	–	62.00	Acquisition
Caystar Management Holdings	Cayman Islands	Cayman Islands	Management services	USD45,409,069.19	–	62.00	Acquisition
Wasford Holdings	Cayman Islands	Cayman Islands	Investment and investment management business	USD50,000	–	62.00	Acquisition
Golden Star (Wassa) (Note 2)	Ghana	Ghana	Gold mining	GHS11,000,000	–	55.80	Acquisition
Golden Star Resources (UK) Ltd.	UK	UK	Management services	USD130	–	62.00	Acquisition
Chijin Fengtai (Chifeng) Trading Co., Ltd.	Chifeng, Inner Mongolia	Chifeng, Inner Mongolia	Trade of non-ferrous metal	RMB34,000,000	–	100.00	Newly established
Chijin Metal Investment Holding Co., Ltd.	British Virgin Islands	British Virgin Islands	Investment and investment management business	USD50,000	–	100.00	Newly established

**Note 1:** Jintai Mining is a 90% owned subsidiary of Xinhenghe Mining, a subsidiary of the Company. Therefore, the Company indirectly holds an interest in Jintai Mining based on Xinhenghe Mining's equity interests in Jintai Mining.

**Note 2:** Golden Star Resources is a 62% owned subsidiary of Chijin International (HK) Limited, a subsidiary of the Company. Therefore, The Company indirectly holds an interest in Golden Star Resources (UK) Ltd. based on Chijin International (HK) Limited's equity in Golden Star Resources. Golden Star (Wassa) is a subsidiary in which Golden Star Resources holds a 90% stake.

# NOTES TO FINANCIAL STATEMENTS

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## VIII. EQUITY INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Equity interests in subsidiaries (Continued)

Significant non-wholly owned subsidiaries

2024

	Percentage of equity interest held by non-controlling shareholders	Profit or loss attributable to non-controlling interests in the current year	Dividend paid to non-controlling shareholders	Closing balance of non-controlling interests
Guangyuan Technology	45.00	5,861,415.29	–	156,101,738.74
LXML	10.00	54,016,446.97	–	347,456,023.96
GSR	38.00	122,798,163.82	–	1,989,243,901.60
Chijin Xiawu	49.00	(379,358.92)	–	194,400,720.52
Xinhenghe Mining	49.00	39,447,680.18	–	119,101,996.09

The major financial information of the subsidiaries in the table above is stated below. Those amounts are before elimination among the enterprises of the Group:

	31 December 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Guangyuan Technology	435,874,524.16	73,108,834.86	508,983,359.02	161,709,106.27	381,500.00	162,090,606.27
LXML	3,712,830,894.46	2,505,723,790.64	6,218,554,685.10	956,729,096.87	1,787,265,348.54	2,743,994,445.41
GSR	855,542,917.79	8,069,178,475.97	8,924,721,393.76	1,543,766,306.13	3,153,587,636.29	4,697,353,942.42
Chijin Xiawu	411,672,590.61	68,570,147.60	480,242,738.21	83,949,014.34	–	83,949,014.34
Xinhenghe Mining	83,835,443.38	231,283,574.72	315,119,018.10	170,392,141.19	15,633,789.34	186,025,930.53

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## VIII. EQUITY INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Equity interests in subsidiaries (Continued)

Significant non-wholly owned subsidiaries: (Continued)

2024 (Continued)

	2024			Net cash flows
	Revenue	Net profits	Total comprehensive income	from operating activities
Guangyuan Technology	261,691,634.94	13,025,367.32	13,025,367.32	72,765,471.68
LXML	3,339,794,435.91	540,164,469.62	587,860,003.34	938,740,671.32
GSR	2,901,364,278.90	231,424,795.70	292,629,172.41	964,914,870.39
Chijin Xiawu	30,790,567.02	(1,007,221.51)	(1,087,149.50)	(129,262,498.09)
Xinhenghe Mining	154,208,767.12	72,928,049.80	72,928,049.80	100,760,870.43

### 2. Equity interests in associates

Summary of financial information of associates that are not individually significant:

	2024	2023
Associates:		
Aggregate book value of the Group's investments in associates	3,955,645.67	373,480,577.43
Items below were calculated by the proportion of equity interest		
— Share of net profit of associates	7,194,112.43	9,949,884.57
— Share of other comprehensive income of associates	—	—
— Share of total comprehensive income of associates	7,194,112.43	9,949,884.57



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## IX. GOVERNMENT GRANTS

### 1. Government grant receivables recognised at the end of the year

As at 31 December 2024, the balance of government grant receivables was RMB3,847,800.

### 2. Liability items related to government grants

As at 31 December 2024, liability items related to government grants are as follows:

	Beginning balance	Additions	Included in non-operating income	Included in other income	Other movements	Closing balance	Related to assets/ income
Special subsidies for Tianbaoshan environmental rehabilitation and technological transformation and restructuring of enterprises	433,333.86	-	-	99,999.96	-	333,333.90	Related to assets
Subsidy funds related to re-modification of mineral processing plant	547,666.89	-	-	123,999.96	-	423,666.93	Related to assets
Subsidies for new projects granted by Hefei Economic and Information Commission	474,500.00	-	-	93,000.00	-	381,500.00	Related to assets
Special Fund for the High- quality Development of the Manufacturing Industry	300,000.00	-	-	-	-	300,000.00	Related to assets
Enterprise Development Support Funds of the Bureau of Industry and Information Technology	-	5,400,000.00	-	-	-	5,400,000.00	Related to assets
Total	1,755,500.75	5,400,000.00	-	316,999.92	-	6,838,500.83	

# NOTES TO FINANCIAL STATEMENTS

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## IX. GOVERNMENT GRANTS (CONTINUED)

### 2. Liability items related to government grants (Continued)

Government grants recognised in profit or loss are as follows:

	2024	2023
Related to assets		
Included in other income	316,999.92	316,999.92
Related to income		
Included in other income	2,069,571.07	16,633,168.94
Included in non-operating income	58,000.00	–
Total	2,444,570.99	16,950,168.86

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

### 1. Offsetting of financial instruments

The Group has not entered into any offsetting agreements on financial instruments.

### 2. Risks of financial instruments

The Group is exposed to various risks in relation to financial instruments in its daily operations, mainly credit risk, liquidity risk and market risk. Policies of the risk management of the Group are summarised below.

The Board of Directors is responsible for planning and establishing the Group's risk management framework, formulating the Group's risk management policies and relevant guidelines, and supervising the implementation of risk management measures. The Group has formulated risk management policies to identify and analyse the risks faced by the Group. These risk management policies clearly define specific risks and cover many aspects such as market risk, credit risk, and liquidity risk management. The Group regularly assesses changes in the market environment and the Group's business activities to determine whether to update the risk management policies and systems. The Group's risk management is carried out by the Audit Committee in accordance with the policies approved by the Board of Directors. The Audit Committee works closely with other business departments of the Group to identify, evaluate, and avoid relevant risks. The Group's internal audit department conducts periodic reviews of risk management controls and procedures and reports the results to the Group's Audit Committee.

# NOTES TO FINANCIAL STATEMENTS

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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### Credit risk

The Group only deals with approved and reputable third parties. According to the Group's policy, all customers who require credit transactions are subject to a credit review. In addition, the Group continuously monitors the balance of trade receivables to ensure that the Group is not exposed to significant bad debt risks.

Since counterparties of cash and bank balance are banks with good reputation and high credit ratings, credit risk arising from these financial instruments is insignificant.

Other financial assets of the Group include equity instrument investments, receivables and certain derivatives. The credit risk on these financial assets arises from default of counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

The Group only deals with approved and reputable third parties, therefore collateral is not needed. Credit risk is managed centrally based on customers/counterparties, geographic regions and industries. As at 31 December 2024, the Group had a specific concentration of credit risk. 59.13% and 95.49% of the Group's trade receivables were due from the largest customer and the five largest customers, respectively (as at 31 December 2023: 77.45% and 96.13%, respectively). The balance of trade receivables of the Group did not hold any collateral or other credit enhancement.

#### Determination of significant increase in credit risk

At each reporting date, the Group assesses whether the credit risk on the relevant financial instruments has increased significantly since initial recognition. The Group determines that the credit risk of financial instruments has significantly increased when one or more of the following quantitative or qualitative criteria below are met: significant detrimental changes in the debtor's operating or financial conditions, internal and external credit ratings, actual or expected operating results, etc.

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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### Credit risk (Continued)

##### Definition of credit-impaired financial assets

In order to determine whether credit impairment occurs, the defined criteria adopted by the Group are consistent with the internal credit risk management objectives for relevant financial instruments, both of which incorporate quantitative and qualitative indicators. When assessing whether a debtor has suffered credit impairment, the Group usually considers the following factors:

- (1) significant financial difficulty of the issuer or the debtor;
- (2) breach of contract by the debtor, such as default or overdue payment in interest or principal repayment;
- (3) a concession granted by the creditor to the debtor due to economic or contractual considerations related to the debtor's financial difficulty, which will not be granted under any other circumstances;
- (4) possible bankruptcy or other financial reorganisation of the debtor;
- (5) disappearance of an active market for the financial asset due to financial difficulty of the issuer or the debtor;
- (6) financial assets purchased or sourced at large discounts indicating credit losses have occurred.

Financial assets may be credit-impaired due to the joint effects of multiple events rather than separately identifiable events.



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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### Liquidity risk

The Group's objective is to maintain a balance between continuity and flexibility of funding through the use of financing including bank loans and other loans.

The following table summarises the maturity analysis of financial liabilities based on undiscounted contractual cash flows:

#### 31 December 2024

	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term borrowings	1,125,073,144.55	–	–	1,125,073,144.55
Financial liabilities held for trading	707,020,000.00	–	–	707,020,000.00
Trade payables	684,571,183.74	–	–	684,571,183.74
Other payables	225,263,620.79	–	–	225,263,620.79
Long-term borrowings	322,887,259.22	624,659,004.51	–	947,546,263.73
Long-term payables	8,789,500.00	35,158,000.00	36,897,500.00	80,845,000.00
Lease liabilities	46,447,825.12	139,927,135.20	74,426,042.17	260,801,002.49
Total	3,120,052,533.42	799,744,139.71	111,323,542.17	4,031,120,215.30

#### 31 December 2023

	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term borrowings	866,064,423.50	–	–	866,064,423.50
Financial liabilities held for trading	939,996,400.00	–	–	939,996,400.00
Trade payables	552,457,258.75	–	–	552,457,258.75
Other payables	304,914,710.92	–	–	304,914,710.92
Long-term borrowings	287,942,737.21	1,488,438,162.23	–	1,776,380,899.44
Long-term payables	10,510,000.00	35,158,000.00	45,687,000.00	91,355,000.00
Lease liabilities	48,341,669.85	145,275,970.82	101,790,578.42	295,408,219.09
Total	3,010,227,200.23	1,668,872,133.05	147,477,578.42	4,826,576,911.70

# NOTES TO FINANCIAL STATEMENTS

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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### Market risk

##### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

The tables below demonstrate a sensitivity analysis of interest rate risk, which reflects the impact on net profit or loss (through the impact on floating-rate borrowings) net of tax when a reasonably possible change in interest rates occurs, with all other variables held constant.

#### 2024

	Increase/ (decrease) in basis points	(Decrease)/ increase in net profit or loss	(Decrease)/ increase in total shareholders' equity
RMB-borrowing	100	(1,799,700.00)	(1,799,700.00)
RMB-borrowing	(100)	1,799,700.00	1,799,700.00
USD-borrowing	100	(2,516,459.82)	(2,516,459.82)
USD-borrowing	(100)	2,516,459.82	2,516,459.82

#### 2023

	Increase/ (decrease) in basis points	(Decrease)/ increase in net profit or loss	(Decrease)/ increase in total shareholders' equity
RMB-borrowing	100	(4,799,850.00)	(4,799,850.00)
RMB-borrowing	(100)	4,799,850.00	4,799,850.00
USD-borrowing	100	(4,706,599.76)	(4,706,599.76)
USD-borrowing	(100)	4,706,599.76	4,706,599.76



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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### Market risk (Continued)

##### Exchange rate risk

The Group has transactional exchange rate risk exposures mainly arising from sales or purchases by subsidiaries in currencies other than the subsidiaries' functional currencies. The Group has subsidiaries using USD and RMB as their functional currencies. These subsidiaries have transactions in currencies other than their functional currencies.

The following tables present a sensitivity analysis of exchange rate risk, reflecting the impact that a reasonable and probable change in the exchange rates of USD, GHC, GBP, CAD, AUD, LAK, THB, EUR, SGD, NZD and ZAR, with all other variables held constant, would have on net profit or loss and other comprehensive income, net of tax.

#### 2024

	Increase/ (decrease) in basis points	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in other comprehensive income, net of tax	Increase/ (decrease) in total shareholders' equity
USD depreciation against RMB	5	(213,431.18)	(1,998.94)	(215,430.12)
USD appreciation against RMB	(5)	213,431.18	1,998.94	215,430.12
USD depreciation against GHC	5	(3,788,777.03)	(35,484.71)	(3,824,261.74)
USD appreciation against GHC	(5)	3,788,777.03	35,484.71	3,824,261.74
USD depreciation against GBP	5	102,873.48	963.49	103,836.97
USD appreciation against GBP	(5)	(102,873.48)	(963.49)	(103,836.97)
USD depreciation against CAD	5	1,046.47	9.80	1,056.27
USD appreciation against CAD	(5)	(1,046.47)	(9.80)	(1,056.27)
USD depreciation against AUD	5	2,744,945.93	25,708.45	2,770,654.38
USD appreciation against AUD	(5)	(2,744,945.93)	(25,708.45)	(2,770,654.38)

# NOTES TO FINANCIAL STATEMENTS

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

Market risk (Continued)

Exchange rate risk (Continued)

2024 (Continued)

	Increase/ (decrease) in basis points	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in other comprehensive income, net of tax	Increase/ (decrease) in total shareholders' equity
USD depreciation against LAK	5	467,000.06	4,373.80	471,373.86
USD appreciation against LAK	(5)	(467,000.06)	(4,373.80)	(471,373.86)
USD depreciation against THB	5	(294,796.17)	(2,760.99)	(297,557.16)
USD appreciation against THB	(5)	294,796.17	2,760.99	297,557.16
USD depreciation against EUR	5	(169,636.79)	(1,588.78)	(171,225.57)
USD appreciation against EUR	(5)	169,636.79	1,588.78	171,225.57
USD depreciation against SGD	5	(5,693.72)	(53.32)	(5,747.04)
USD appreciation against SGD	(5)	5,693.72	53.32	5,747.04
USD depreciation against NZD	5	(446.35)	(4.18)	(450.53)
USD appreciation against NZD	(5)	446.35	4.18	450.53
USD depreciation against ZAR	5	(73,615.35)	(689.47)	(74,304.82)
USD appreciation against ZAR	(5)	73,615.35	689.47	74,304.82

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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

Market risk (Continued)

Exchange rate risk (Continued)

2023

	Increase/ (decrease) in basis points	Increase/ (decrease) in net profit or loss	Increase/ (decrease) in other comprehensive income, net of tax	Increase/ (decrease) in total shareholders' equity
RMB depreciation against USD	5	18,092,926.07	13,633.01	18,106,559.08
RMB appreciation against USD	(5)	(18,092,926.07)	(13,633.01)	(18,106,559.08)
USD depreciation against GHC	5	623,829.69	3,583.22	627,412.91
USD appreciation against GHC	(5)	(623,829.69)	(3,583.22)	(627,412.91)
USD depreciation against GBP	5	45,700.14	262.50	45,962.64
USD appreciation against GBP	(5)	(45,700.14)	(262.50)	(45,962.64)
USD depreciation against CAD	5	3,160.64	18.15	3,178.79
USD appreciation against CAD	(5)	(3,160.64)	(18.15)	(3,178.79)
USD depreciation against AUD	5	76,631.42	440.17	77,071.59
USD appreciation against AUD	(5)	(76,631.42)	(440.17)	(77,071.59)
USD depreciation against LAK	5	(1,249,468.98)	(7,176.83)	(1,256,645.81)
USD appreciation against LAK	(5)	1,249,468.98	7,176.83	1,256,645.81
USD depreciation against GHC	5	(232,182.56)	(1,333.63)	(233,516.19)
USD appreciation against GHC	(5)	232,182.56	1,333.63	233,516.19
USD depreciation against EUR	5	1,294,687.96	7,436.56	1,302,124.52
USD appreciation against EUR	(5)	(1,294,687.96)	(7,436.56)	(1,302,124.52)
USD depreciation against ZAR	5	(50,078.91)	(287.65)	(50,366.56)
USD appreciation against ZAR	(5)	50,078.91	287.65	50,366.56

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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### Market risk (Continued)

Price risk of equity instrument investments

Price risk of equity instrument investments refers to the risk that the fair value of equity securities was reduced due to changes in the level of the stock index and the value of individual securities. As at 31 December 2024, the Group was exposed to the price risk of individual equity instrument investments due to the classification as equity instrument investments at fair value through profit or loss.

The listed equity instrument investment held by the Group was listed on the Australian Stock Exchange and Canadian Securities Exchange, and was measured at quoted market price at reporting date.

The following tables demonstrate the sensitivity of the Group's net profit and loss and other comprehensive income net of tax to every 5% change in the fair value of equity instrument investments (based on the book value on the reporting date), under the assumption that all other variables are held constant.

#### 2024

	Equity instrument investments	Net gains and losses	Other comprehensive income, net of tax	Total shareholders' equity
	Net book value	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)
Equity instrument investments				
Australia – Equity instrument investments		406,223.21	3,804.58	410,027.79
at fair value through profit or loss	9,821,024.84	/(406,223.21)	/(3,804.58)	/(410,027.79)
Canada – Equity instrument investments		5,730.03	53.66	5,783.69
at fair value through profit or loss	177,959.84	/(5,730.03)	/(53.66)	/(5,783.69)

#### 2023

	Equity instrument investments	Net gains and losses	Other comprehensive income, net of tax	Total shareholders' equity
	Net book value	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)
Equity instrument investments				
Australia – Equity instrument investments		694,659.71	3,990.06	698,649.77
at fair value through profit or loss	16,734,126.23	/(694,659.71)	/(3,990.06)	/(698,649.77)
Canada – Equity instrument investments		5,666.10	32.55	5,698.65
at fair value through profit or loss	175,343.08	/(5,666.10)	/(32.55)	/(5,698.65)

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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Risks of financial instruments (Continued)

#### Market risk (Continued)

##### Commodity price risk

The Group is mainly exposed to the risk of changes in major metals' prices in the future, including gold, copper, zinc and copper cathodes. The fluctuations in these products' prices may affect the Group's operating performance.

The Group uses commodity futures contracts to manage risk in the sale of gold. The Board of Directors approves the maximum position size for gold hedging derivative transactions. The leaders of the futures hedging business and the hedging business team are responsible for organising and implementing these transactions, and the management keeps an eye on the changes in prices of commodity futures contracts.

### 3. Capital management

The Group's primary objectives for capital management are to safeguard the Group's ability to continue as a going concern and keep the capital ratio at a healthy level, so that it can support business development and maximize the value of shareholders.

The Group manages its capital structure and makes adjustments in response to changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. In 2024 and 2023, the capital management objectives, policies or procedures remain unchanged.

The Group manages its capital with the debt-to-asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratio of the Group as at the reporting date was as follows:

	2024	2023
Total assets	20,328,568,613.12	18,717,792,749.45
Total liabilities	9,605,453,197.04	10,175,584,604.74
Debt-to-asset ratio	47.25%	54.36%

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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 4. Hedging

#### (1) Risk Management through the Implementation of Hedging Business

	Corresponding risk management strategies and objectives	Qualitative and Quantitative Information about the Hedged Risks	The economic relationship between hedges and related hedging instruments	The effective achievement of expected risk management objectives	The impact of corresponding hedging activities on risk exposure
Commodity Hedging Business— Gold Sales	Managing price risks of expected gold sales with gold futures contracts	Gold is an important product of the Group and faces price- fluctuation risks in expected sales	The Group's principal product, gold, is the same as the gold sold in the corresponding gold futures contracts. The hedging instruments (gold futures contracts) and the hedges (gold expected to be sold) have the same underlying variables. The Group has determined through qualitative analysis that the quantity ratio of the hedging instruments to the hedges is 1:1.	Expected to be highly effective	The corresponding hedging activities have effectively hedged the price risks of the expected gold sales. For such hedging activities, the Group adopts the accounting method of cash flow hedging.
Commodity Hedging Business— Gold Leasing	Managing price risks of expected gold purchases in gold leasing business with gold futures contracts	Gold leasing is one of the crucial financing activities of the Group and the anticipated purchase of gold in the gold leasing business is subject to the risk of price changes	The gold purchased in the Group's gold leasing business is the same as the corresponding gold purchased in the gold futures contracts. Hedging instruments (gold futures contracts) and the hedges (gold expected to be purchased) have the same underlying variables. The Group has determined through qualitative analysis that the quantity ratio of the hedging instruments to the hedges is 1:1.	Expected to be highly effective	The corresponding hedging activities have effectively hedged the price risks of the expected gold purchased. For such hedging activities, the Group adopts the accounting method of fair value hedging.



# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

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## X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 4. Hedging (Continued)

(2) Conduct eligible hedging business and applying hedge accounting.

	Hedging category	Carrying amount related to the hedged item and the hedging instrument	Accumulated fair value adjustments on the hedged included in the carrying amount of hedges	Sources of hedging effectiveness and the ineffectiveness of hedging	The relevant impacts of hedge accounting on the financial statements
Commodity Price Risk – Gold Sales	Cash flow hedging	As at 31 December 2024, the hedged item: Expected sales, with no carrying value.  As at 31 December 2024, the hedging instruments: All positions have been closed out, with no derivative financial assets/liabilities.	Not Applicable	Expected to be highly effective	In 2024, the spot element loss of derivatives amounted to RMB133,306,884.20, which reduced the gains by RMB133,306,884.20.
Commodity Price Risk – Gold Leasing	Fair value hedging	As at 31 December 2024, the hedged item: Financial liabilities at fair value through profit or loss amounted to RMB707,020,000.00.  As at 31 December 2024, the hedging instruments: Derivative financial assets amounted to RMB5,251,800.00.	RMB107,738,300.00	Expected to be highly effective	In 2024, the derivative gains of RMB98,194,486.69 were offset against losses of RMB107,738,300.00 on changes in the fair value of the financial liabilities held for trading.

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XI. DISCLOSURE OF FAIR VALUE

### 1. Fair value of assets and liabilities measured at fair value at the end of the period

**31 December 2024**

	Fair value at the end of the year			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
<b>Continuous fair value measurement</b>				
(I) Financial assets held for trading				
1. Financial assets at fair value through profit or loss				
Including: Equity instrument investments	9,998,984.68	-	-	9,998,984.68
(II) Derivative financial assets				
Including: Gold futures contracts	5,251,800.00	-	-	5,251,800.00
(III) Financial liabilities held for trading				
1. Financial liabilities at fair value through profit or loss				
Including: Gold leasing	707,020,000.00	-	-	707,020,000.00

# NOTES TO FINANCIAL STATEMENTS

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

### 2. Level 1 fair value measurement

The fair value of the investment in listed equity instruments, gold futures contracts and gold leasing shall be determined at the quoted market price.

### 3. Basis for determining the market price of continuous and non-continuous Level 1 fair value measurements

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry insider, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Among the continuous level 1 fair value measurements, financial assets held for trading are the gold futures contracts and the equity investments in the secondary market, and the market price is determined based on the settlement price of the gold futures contract held on the Shanghai Futures Exchange at the reporting date and the public trading price in the stock exchange market; financial liabilities held for trading are the fair value of the outstanding gold lease financing, and the market price is determined based on the closing price of the gold lease products on the Shanghai Gold Exchange at the reporting date.

### 4. Financial assets and financial liabilities not measured at fair value

Management has assessed cash and bank balances, trade receivable, other receivables, other current assets, short-term borrowings, trade payables, other payables and non-current liabilities due within one year, etc. Given the short-term maturities, the fair values approximate to the book values.

As at 31 December 2024, since the long-term borrowings are mainly floating-rate loans, the fair value determined by the discounted future cash flow method is similar to its carrying value.

There was no significant transfer between the fair value levels of the Group in 2024 (2023: Nil).

# NOTES TO FINANCIAL STATEMENTS

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## XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

### 1. Parent company

The actual controller of the Group is Ms. Li Jinyang.

### 2. Subsidiaries

For details of the subsidiaries of the Company, please refer to Note VIII.1 Equity interests in subsidiaries.

### 3. Associates

For associates of the Company, please refer to Note VIII. 2 Equity interests in associates.

### 4. Other related parties

Name of other related parties	Relationship
Hanfeng United	Entity under common control of the actual controller
Beijing Eagleleap Technology Co., Ltd. ("Eagleleap")	Entity under common control of the actual controller
Hi-Fortune Capital Management Limited	Entity under common control of the actual controller
Jilin Hanfeng Investment Co., Ltd.	Entity under common control of the actual controller
Jilin Hanfeng Graphite Co., Ltd.	Entity under common control of the actual controller
Jilin Hanfeng Graphite New Material Technology Co., Ltd.	Entity under common control of the actual controller
Jilin Shiji Xingjin Corn Technology Development Co., Ltd.	Entity under common control of the actual controller
Jilin Hanfeng Micro-credit Co., Ltd.	Shareholding company of the actual controller
Jilin Hanfeng Electric Co., Ltd. ("Hanfeng Electric")	Shareholding company of the actual controller's immediate family
Liang Xiaoyan	Other

### 5. Related party transactions

(1) Related party transactions of purchase and sale of goods, rendering and receipt of services

Summary of purchase of goods/receipt of services

Related party	Related party transactions	2024	2023
Eagleleap	Utilities expense	117,332.00	169,631.00
Eagleleap	Service fees for catering, accommodation, etc.	915,963.40	1,807,829.00

# NOTES TO FINANCIAL STATEMENTS

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## XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 5. Related party transactions (Continued)

#### (2) Related party leases

The Company as a lessee:

#### 2024

	Category of leased assets	Rental expenses relating to short-term leases and leases with low-value assets	Variable lease payments not included in the measurement of lease liabilities	Rental payments	Interest expenses of lease liabilities	Increase in right-of-use assets
Eagleleap	Buildings and vehicles	222,000.00	-	4,468,695.00	83,831.95	-

#### 2023

	Category of leased assets	Rental expenses relating to short-term leases and leases with low-value assets	Variable lease payments not included in the measurement of lease liabilities	Rental payments	Interest expenses of lease liabilities	Increase in right-of-use assets
Eagleleap	Buildings and vehicles	170,000.00	-	4,468,695.00	235,988.65	-

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### XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

#### 5. Related party transactions (Continued)

##### (3) Related party guarantee

The Company as a guarantor

Guaranteed party	Guaranteed amount (In ten thousands RMB)	Start date of guarantee	Expiration date of guarantee	Whether the guarantee has been completed
Jilong Mining	13,500.00	2022/5/19	2025/5/18	No
Jilong Mining	20,000.00	2023/1/28	2026/1/28	No
Jilong Mining	12,000.00	2023/3/15	2026/2/15	No
Jilong Mining	10,000.00	2023/12/30	2026/12/30	No
Jilong Mining	10,000.00	2024/11/4	2028/11/3	No
Jilong Mining	7,000.00	2024/1/25	2025/1/24	No
Jilong Mining	10,000.00	2024/4/7	2027/3/7	No
Jilong Mining	20,000.00	2024/5/13	2028/5/16	No
Guangyuan Technology	6,500.00	2024/9/11	2028/9/23	No
Guangyuan Technology	4,000.00	2022/8/29	2025/8/28	No
Guangyuan Technology	4,000.00	2024/9/24	2028/9/23	No
Hefei Guangyuan	1,000.00	2023/6/25	2028/6/25	No
LXML	20,000,000.00 USD	2024/3/15	2025/1/1	No
LXML	50,000,000.00 USD	2024/4/3	2027/9/30	No

All the guarantees provided by the Company as the guarantor are free of charge.

##### (4) Loans from a related party

Related party	Loan amount	Start date	Maturity date	Description
Li Jinyang	128,546,469.46	2022/11/17	2024/1/2	Fully returned



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## XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 5. Related party transactions (Continued)

#### (5) Compensation of key management

	2024 (In ten thousands Yuan)	2023 (In ten thousands Yuan)
Compensation of key management	3,247.26	3,102.85

### 6. Receivables and payables of related parties

#### (1) Payables

	Related party	31 December 2024	31 December 2023
Other payables	Eagleleap	9,600.00	22,271.60
Other payables	Li Jinyang	—	128,525,213.63
Lease liabilities (Including: due within one year)	Eagleleap	—	4,468,695.00

The amounts of payables to related parties are interest free and unsecured.

### 7. Related party commitments

Related party	2024		2023	
	Subscribed registered capital (In ten thousands RMB)	Paid-in registered capital (In ten thousands RMB)	Subscribed registered capital (In ten thousands RMB)	Paid-in registered capital (In ten thousands RMB)
Fenyu New Energy	25,500	200	25,500	200
Enbo Technology	420	252	420	63
Enbo New Energy	30	2.52	30	0.63
Guohong Gold	1,100	—	—	—

Please refer to Note XIV. 1 for the amount affected by the commitments of the above-mentioned related parties.

### 8. Other description

Regarding 5. (2) above, the related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

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## XIII. SHARE-BASED PAYMENT

### 1. Phase II Employee Stock Ownership Plan

On 27 February 2023, the Company convened the first extraordinary general meeting of shareholders in 2023, and reviewed and approved the “Proposal of <Draft of the Phase II Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.> and Its Summary”, the “Proposal of <Administrative Measures for the Phase II Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.>”, and the “Proposal of Requesting the General Meeting of Shareholders to Authorise the Board of Directors to Handle Matters Related to the Company’s Phase II Employee Stock Ownership Plan”.

On 20 March 2023, the Company held the 15th meeting of the 8th Board of Directors and the 10th meeting of the 7th Board of Supervisors, and reviewed and approved the “Proposal of <Revised Draft of the Phase II Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.> and Its Summary” and the “Proposal of <Revised Administrative Measures for the Phase II Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.>”.

Directors, supervisors, senior management and other key employees of the Group participated in the Phase II Employee Stock Ownership Plan. According to the Phase II Employee Stock Ownership Plan, the total number of eligible participants should not exceed 120, and the number of actual participants was 101. The Company granted a total of 16,575,406 shares of stock, with a grant price of RMB18.15 per share, and completed the registration on 28 April 2023. As of 28 April 2023, the above-mentioned participants fully paid the subscription amount for the Phase II Employee Stock Ownership Plan to the Company, totalling RMB300,910,000.00.

According to the Phase II Employee Stock Ownership Plan, if the unlocking condition stipulated in the plan is met (the unlocking condition is that “the net profit attributable to the shareholders of the Company in 2023 increases by more than 30% (inclusive) over the same period of the previous year”), the participants can apply for unlocking up to the total number of shares granted under the plan on 28 April 2024.

The market price on 28 April 2023 was RMB16.57 per share, and the subscription price was RMB18.15 per share. Considering the impact of the relevant income restriction clauses of the participants of the Phase II Employee Stock Ownership Plan, the fair value on the grant date was determined to be zero.

As of 31 December 2023, since the performance conditions had been satisfied, all shares of the Phase II Employee Stock Ownership Plan met the unlocking condition. As at 31 December 2024, all the equity of the Phase II Employee Stock Ownership Plan had been exercised.

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## XIII. SHARE-BASED PAYMENT (CONTINUED)

### 2. General information of share-based payments

2024

Total equity instruments granted by the Company in the current year	–
Total equity instruments exercised in the current year	16,575,406
Total equity instruments which became forfeited in the current year	–
The scope of exercise prices and remaining contract terms of outstanding share options of the Company at the end of the year	Not applicable
The scope of exercise prices and remaining contract terms of other outstanding equity instruments of the Company at the end of the year	Not applicable

### 3. Equity-settled share-based payments

2024

Determination method of fair value of equity instruments at the grant date	The Company determines the fair value of the ESOP by subtracting the grant price from the market price on the grant date
Determination basis of quantity of exercisable equity instruments	The Company conducts performance evaluations based on specific performance indicators. The number of shares held by the incentive recipients who have achieved the performance targets is the determination basis.
Reason for significant difference between current estimates and prior estimates	Not applicable
Accumulated amount of equity-settled share-based payments which are recorded into capital reserve	–
Total expenses recognised for equity-settled share-based payments for the current year	–

In 2024, the Company had no equity-based payments settled in cash.

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## XIV. COMMITMENTS AND CONTINGENCIES

### 1. Significant commitments

	2024	2023
Signed but not provisioned		
Capital commitment	187,634,930.66	230,172,797.44
Investment commitment	333,698,281.60	256,863,700.00
Total	521,333,212.26	487,036,497.44

### 2. Contingencies

The Company's subsidiary, LXML, has a contractual dispute with Qingdao Guolin Environmental Protection Technology Co., Ltd. (the Defendant) over equipment. As the plaintiff, LXML has engaged DeTong International Limited Liability Partnership to file a complaint with the High Court of Hong Kong on 10 December 2021, and a writ of summons was issued by the Court of First Instance of the High Court of Hong Kong. The case has not yet been officially heard in court, and the outcome of the litigation is uncertain.

## XV. EVENTS AFTER THE REPORTING DATE

Pursuant to the resolution passed at the general meeting convened by the Company on 15 January 2025, the Phase III Employee Stock Ownership Plan was approved, aimed at providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Phase III Employee Stock Ownership Plan became effective on 25 February 2025 and, unless otherwise cancelled or amended, will remain in force for 24 months from that date. All Shares granted to participants shall be subject to performance conditions, namely achieving a year-on-year increase of 5% (including 5%) or more in the Company's gold production by 2025. As at the date of this announcement, 15,182,600 A Shares have been granted to the participants of the Phase III Employee Stock Ownership Plan.

The Company applied for the issuance of overseas-listed shares (H-shares) and listing on the Main Board of The Stock Exchange of Hong Kong Limited. On 13 February 2025, the Listing Committee of the Hong Kong Stock Exchange held a listing hearing to review the application for the issuance and listing. The Company was listed on the Hong Kong Stock Exchange on 10 March 2025 and the total number of H Shares to be offered in the Global Offering is 205,652,000 (prior to the exercise of the over-allotment option), and the net proceeds to be received by the Company from the Global Offering, after deduction of the underwriting commissions and other estimated expenses in connection with the Global Offering and assuming the over-allotment option was not exercised, would be approximately HK\$2,676 million.

# NOTES TO FINANCIAL STATEMENTS

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## XVI. OTHER SIGNIFICANT EVENTS

### 1. Segment information

#### (1) Determination basis and accounting policies of reporting segments

The directors and certain senior managers of the Company (hereinafter referred to as “senior management”) perform the functions of chief operating decision makers. Senior management reviews the internal reports of the Group to evaluate the performance of operating segments and allocate resources. The Company determines its operating segments based on such internal reporting.

The Company’s operating segments include the domestic mining segment, the overseas mining segment and other segments. The domestic mining segment conducts mining and processing of gold and nonferrous metals in Mainland China. The overseas mining segment conducts the mining and processing of gold and nonferrous metals in Laos, Ghana and other countries/regions. Other segments are mainly engaged in comprehensive resource recycling in Mainland China.

The senior management monitors the results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted operating profit before tax. The adjusted operating profit before tax is measured consistently with the Group’s operating profit before tax except that interest income, interest expenses, dividend income, gains or losses from changes in fair value of the Group’s financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude cash and bank balances, deferred tax assets, equity investments at fair value through profit or loss, derivative financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude financial liabilities at fair value through profit or loss, derivative financial instruments, loans, deferred tax liabilities, taxes payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 1. Segment information (Continued)

#### (2) Financial information of each reporting segment

2024	Domestic mining	Overseas mining	Others	Total
Revenue	2,481,141,778.08	6,241,158,714.81	437,442,682.81	9,159,743,175.70
Revenue between segments	–	–	(133,921,353.48)	(133,921,353.48)
Revenue from external transactions	2,481,141,778.08	6,241,158,714.81	303,521,329.33	9,025,821,822.22
Investment losses from investments in associates	–	7,320,797.94	–	7,320,797.94
Impairment losses on assets	9,554,409.03	(15,181,470.10)	730,003.46	(4,897,057.61)
Depreciation and amortisation	160,210,214.20	1,105,217,020.17	6,309,797.41	1,271,737,031.78
Segment results	1,341,840,802.47	1,616,725,323.11	34,269,778.18	2,992,835,903.76
Income tax expenses	194,103,867.01	633,667,840.29	5,665,797.00	833,437,504.30
Segment assets	3,417,917,967.68	13,351,290,376.88	658,206,389.12	17,427,414,733.68
Segment liabilities	617,984,933.73	3,202,469,500.61	18,321,009.48	3,838,775,443.82
Investments in associates	2,537,474.35	–	–	2,537,474.35
2023	Domestic mining	Overseas mining	Others	Total
Revenue	1,627,691,523.26	5,194,118,959.67	455,845,219.05	7,277,655,701.98
Revenue between segments	–	–	(56,704,165.72)	(56,704,165.72)
Revenue from external transactions	1,627,691,523.26	5,194,118,959.67	399,141,053.33	7,220,951,536.26
Investment losses from investments in associates	–	10,133,561.61	–	10,133,561.61
Impairment losses on assets	(10,185,032.21)	7,592,862.47	(923,745.19)	(3,515,914.93)
Depreciation and amortisation	174,239,373.40	1,312,591,144.40	7,191,050.72	1,494,021,568.52
Segment results	748,662,290.22	612,492,544.55	23,610,822.03	1,384,765,656.80
Income tax expenses	96,637,527.22	238,212,130.93	360,322.05	335,209,980.20
Segment assets	3,117,123,037.63	13,330,740,121.63	509,403,145.49	16,957,266,304.75
Segment liabilities	533,169,111.22	3,204,621,144.09	11,805,055.47	3,749,595,310.78
Investments in associates	628,574.35	371,307,147.25	–	371,935,721.60



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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 1. Segment information (Continued)

#### (2) Financial information of each reporting segment (Continued)

Reconciliation of segment results to profit before tax:

	2024	2023
Segment results	2,992,835,903.76	1,384,765,656.80
Reconciliation:		
Head office and corporate expenses	(2,831,204.58)	10,195,015.83
Interest income	38,389,697.15	26,322,305.17
Interest expenses	(208,992,302.95)	(215,026,005.65)
Profit before tax	2,819,402,093.38	1,206,256,972.15

Reconciliation of segment assets to total assets:

	31 December 2024	31 December 2023
Segment assets	17,427,414,733.68	16,957,266,304.75
Reconciliation:		
Cash and bank balances	2,747,442,442.93	1,662,283,423.20
Financial assets held for trading	9,998,984.68	16,909,469.31
Derivative financial assets	5,251,800.00	13,470,040.00
Deferred tax assets	67,228,646.44	17,482,453.95
Head office and corporate assets	71,232,005.39	50,381,058.24
Total assets	20,328,568,613.12	18,717,792,749.45

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 1. Segment information (Continued)

#### (2) Financial information of each reporting segment (Continued)

Reconciliation of segment liabilities to total liabilities:

	31 December 2024	31 December 2023
Segment liabilities	3,838,775,443.82	3,749,595,310.78
Reconciliation:		
Short-term borrowings	1,108,199,165.67	850,009,317.45
Financial liabilities held for trading	707,020,000.00	939,996,400.00
Taxes payable	698,951,345.10	472,985,750.24
Long-term borrowings	881,835,377.44	1,640,289,598.85
Deferred tax liabilities	2,329,605,255.27	2,314,654,102.90
Head office and corporate liabilities	41,066,609.74	208,054,124.52
Total liabilities	9,605,453,197.04	10,175,584,604.74

2024	Reportable segment total	Headquarters	Total
Revenue from external transactions	9,025,821,822.22	–	9,025,821,822.22
Investment losses from investments in associates	7,320,797.94	(126,685.51)	7,194,112.43
Impairment losses on assets	(4,897,057.61)	–	(4,897,057.61)
Depreciation and amortisation	1,271,737,031.78	5,359,520.65	1,277,096,552.43
Income tax expenses	833,437,504.30	–	833,437,504.30
Investments in associates	2,537,474.35	1,418,171.32	3,955,645.67

# NOTES TO FINANCIAL STATEMENTS

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 1. Segment information (Continued)

#### (2) Financial information of each reporting segment (Continued)

2023	Reportable segment total	Headquarters	Total
Revenue from external transactions	7,220,951,536.26	–	7,220,951,536.26
Investment losses from			
investments in associates	10,133,561.61	(183,677.04)	9,949,884.57
Impairment losses on assets	(3,515,914.93)	–	(3,515,914.93)
Depreciation and amortisation	1,494,021,568.52	6,191,899.02	1,500,213,467.54
Income tax expenses	335,209,980.20	–	335,209,980.20
Investments in associates	371,935,721.60	1,544,855.83	373,480,577.43

Types of goods or services

Revenue from external customers

	2024	2023
Gold	7,978,456,843.25	6,322,262,973.99
Silver	8,424,961.47	3,106,710.59
Copper cathodes	407,334,926.11	381,568,778.04
Copper concentrate powder	20,359,687.51	15,962,359.32
Lead concentrate powder	57,419,874.96	29,743,717.30
Zinc concentrate powder	122,193,933.00	65,369,920.33
Molybdenum concentrate powder	123,285,540.04	–
Comprehensive resource recycling and utilisation	258,301,841.50	398,337,982.45
Other	50,044,214.38	4,599,094.24
Total	9,025,821,822.22	7,220,951,536.26

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment information (Continued)

(2) Financial information of each reporting segment (Continued)

Geographical information

Revenue from external customers

	2024	2023
Mainland China	2,784,663,107.41	2,026,832,576.59
Overseas	6,241,158,714.81	5,194,118,959.67
Total	9,025,821,822.22	7,220,951,536.26

The revenue information above is based on the locations of the subsidiaries.

Non-current assets

	2024	2023
Mainland China	3,239,747,490.51	2,978,065,006.28
Overseas	10,502,370,783.13	10,721,025,458.89
Total	13,742,118,273.64	13,699,090,465.17

The non-current asset information above is based on the locations of the assets and excludes financial assets and deferred tax assets.

Information about major customers

In 2024, revenue of RMB2,997,139,762.60 was derived from sales by the overseas mining segment to a single customer ABC Refinery (Australia) Pty Limited (2023: RMB2,672,102,082.69), and revenue of RMB2,477,037,153.74 was derived from sales by the overseas mining segment to a single customer Rand Refinery (Pty) Limited (2023: RMB1,841,610,011.09).

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 2. Directors' and supervisors' remuneration

Remuneration accrued for directors and supervisors during the year is as follows:

	2024	2023
Fees	894,742.25	800,000.00
Other emoluments:		
Salaries, allowances and benefits in kind	11,708,070.55	14,710,629.74
Performance related bonuses	8,163,695.50	7,004,638.00
Social insurance and housing fund	255,174.66	460,578.28
Total	21,021,682.96	22,975,846.02

#### (a) Independent non-executive directors

The fees accrued for the independent non-executive directors during the year are as follows:

	2024	2023
Jingwen Mao (note (i))	194,301.06	160,000.00
Zhengchang Shen (note (ii))	194,301.06	160,000.00
Nailian Hu (note (iii))	194,301.06	160,000.00
Yan Li (note (iv))	116,724.14	160,000.00
Qingui Guo (note (v))	116,724.14	160,000.00
Yiping Huang (note (vi))	78,390.79	—
Total	894,742.25	800,000.00

## NOTES TO FINANCIAL STATEMENTS

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### XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

#### 2. Directors' and supervisors' remuneration (Continued)

##### (a) Independent non-executive director (Continued)

There was no other remuneration payable to independent non-executive directors during the year (2023: Nil).

- (i) Jingwen Mao was appointed as an independent director on 4 January 2022.
- (ii) Zhengchang Shen was appointed as an independent director on 4 January 2022.
- (iii) Nailian Hu was appointed as an independent director on 4 January 2022.
- (iv) Yan Li was appointed as an independent director on 17 September 2018 and resigned on 23 August 2024.
- (v) Qingui Guo was appointed as an independent director on 17 September 2018 and resigned on 23 August 2024.
- (vi) Yiping Huang was appointed as an independent director on 23 August 2024.



# NOTES TO FINANCIAL STATEMENTS

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 2. Directors' and supervisors' remuneration (Continued)

#### (b) Executive directors

#### 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Social insurance and housing fund	Total
Jianhua Wang (note (vii))	3,425,500.00	2,397,850.00	–	5,823,350.00
Yi-fang Yang (note (viii))	2,848,680.00	2,278,944.00	16,429.50	5,144,053.50
Xiaozhao Lv (note (ix))	2,000,000.00	1,400,000.00	–	3,400,000.00
Bo Gao (note (x))	2,079,890.55	1,871,901.50	139,320.00	4,091,112.05
Xudong Zhang (note (xi))	320,000.00	–	–	320,000.00
Total	10,674,070.55	7,948,695.50	155,749.50	18,778,515.55

#### 2023

	Salaries, allowances and benefits in kind	Performance related bonuses	Social insurance and housing fund	Total
Jianhua Wang (note (vii))	1,600,000.00	800,000.00	–	2,400,000.00
Yi-fang Yang (note (viii))	1,992,678.74	1,980,888.00	–	3,973,566.74
Xiaozhao Lv (note (ix))	1,700,000.00	1,360,000.00	34,178.20	3,094,178.20
Bo Gao (note (x))	2,000,000.00	1,800,000.00	139,320.00	3,939,320.00
Xudong Zhang (note (xi))	300,000.00	–	–	300,000.00
Zhiyong Chen (note (xii))	2,250,000.00	1,000,000.00	28,620.00	3,278,620.00
Xuesheng Fu (note (xiii))	125,000.00	–	–	125,000.00
Qiang Zhao (note (xiv))	100,000.00	–	139,320.00	239,320.00
Paul Harris (note (xv))	3,143,205.00	–	–	3,143,205.00
Total	13,210,883.74	6,940,888.00	341,438.20	20,493,209.94

# NOTES TO FINANCIAL STATEMENTS

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 2. Directors' and supervisors' remuneration (Continued)

#### (b) Executive directors (Continued)

There was no arrangement under which a director or supervisor waived or agreed to waive any remunerations during the year.

(vii) Jianhua Wang was appointed as a director on 17 September 2018.

(viii) Yi-fang Yang was appointed as a director on 26 July 2022.

(ix) Xiaozhao Lv was appointed as a director on 14 December 2012.

(x) Bo Gao was appointed as a director on 14 December 2012.

(xi) Xudong Zhang was appointed as a director on 4 January 2022.

(xii) Zhiyong Chen was appointed as a director on 4 January 2022 and resigned on 27 September 2023.

(xiii) Xuesheng Fu was appointed as a director on 17 September 2018 and resigned on 18 January 2023.

(xiv) Qiang Zhao was appointed as a director on 14 December 2012 and resigned on 18 January 2023.

(xv) Paul Harris was appointed as a director on 27 February 2020 and resigned on 27 September 2023.



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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 2. Directors' and supervisors' remuneration (Continued)

#### (c) Supervisors

#### 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Social insurance and housing fund	Total
Zhenlong Cheng	350,000.00	105,000.00	38,090.94	493,090.94
Hongyong Ji	480,000.00	40,000.00	61,334.22	581,334.22
Fengwu Liu	204,000.00	70,000.00	–	274,000.00
Total	1,034,000.00	215,000.00	99,425.16	1,348,425.16

#### 2023

	Salaries, allowances and benefits in kind	Performance related bonuses	Social insurance and housing fund	Total
Zhenlong Cheng	765,000.00	63,750.00	51,230.94	879,980.94
Hongyong Ji	504,746.00	–	67,909.14	572,655.14
Han Kun	230,000.00	–	–	230,000.00
Total	1,499,746.00	63,750.00	119,140.08	1,682,636.08

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## XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 3. Five highest paid employees

The five individuals whose remunerations were the highest in the Group for the year included three directors (2023: four directors). Directors' emoluments are disclosed above. The emoluments payable to the remaining two (2023: one) highest paid individual during the year are as follows:

	2024	2023
Salaries, allowances and benefits in kind	6,351,287.84	1,900,000.00
Performance related bonuses	1,582,997.18	1,330,000.00
Social insurance and housing fund	25,632.00	139,320.00
Total	7,959,917.02	3,369,320.00

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2024	2023
HK\$3,500,001.00 to HK\$4,000,000.00 (equivalent to RMB3,194,800.91 to RMB3,651,200.00)	–	1
HK\$4,000,001.00 to HK\$4,500,000 (equivalent to RMB3,651,200.91 to RMB4,107,600.00)	1	–
HK\$4,500,001.00 to HK\$5,000,000.00 (equivalent to RMB4,107,600.91 to RMB4,564,000.00)	1	–
Total	2	1

# NOTES TO FINANCIAL STATEMENTS

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## XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

### 1. Other receivables

	2024	2023
Dividends receivable	660,000,000.00	600,000,000.00
Other receivables	558,723,453.00	589,416,180.29
Total	1,218,723,453.00	1,189,416,180.29

(1) An ageing analysis of other receivables is as follows:

	2024	2023
Within 1 year	304,086,121.51	261,252,489.54
1-2 years	53,438,723.50	328,164,779.51
2-3 years	201,198,607.99	–
Over 3 years	–	10,000.00
Subtotal	558,723,453.00	589,427,269.05
Less: Bad debt provision for other receivables	–	11,088.76
Total	558,723,453.00	589,416,180.29

(2) The category of other receivables by nature is as follows:

Nature of other receivables	2024	2023
Guarantees and deposits	2,225,009.05	1,330,000.00
Employee borrowings, reserves and personal transactions	98,287.25	48,499.28
Intra-group transactions	556,400,156.70	588,048,769.77
Total	558,723,453.00	589,427,269.05

# NOTES TO FINANCIAL STATEMENTS

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## XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 1. Other receivables (Continued)

#### 2024

	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision made individually	558,723,453.00	100.00	-	-	558,723,453.00

#### 2023

	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision made individually	589,427,269.05	100.00	11,088.76	-	589,416,180.29

Other receivables for which bad debt provision has been made individually are as follows:

	2024			Reason for provision	2023		
	Carrying amount	Bad debt provision	Proportion (%)		Carrying amount	Bad debt provision	Proportion (%)
Chijin HK	450,303,285.89	-	-	Based on the proportion of risk	291,296,756.31	-	-
Jintai Mining	66,560,670.81	-	-	Based on the proportion of risk	82,863,720.82	-	-
GSR	39,536,200.00	-	-	Based on the proportion of risk	95,616,450.00	-	-
LXML	-	-	-	Based on the proportion of risk	66,312,219.29	-	-
Wulong Mining	-	-	-	Based on the proportion of risk	38,400,000.00	-	-
Others	2,323,296.30	-	-	Based on the proportion of risk	14,938,122.63	11,088.76	0.07
Total	558,723,453.00	-	/		589,427,269.05	11,088.76	/



# NOTES TO FINANCIAL STATEMENTS

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## XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 1. Other receivables (Continued)

- (3) The changes in bad debt provision for other receivables based on 12-month expected credit losses and lifetime expected credit losses are as follows:

#### 2024

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (when no credit impairment has occurred)	Stage 3 Lifetime expected credit losses (where credit impairment has occurred)	Total
Opening balance	11,088.76	-	-	11,088.76
Transfers between stages of opening balance during the year	-	-	-	-
Provision during the year	-	-	-	-
Write-off during the year	11,088.76	-	-	11,088.76
Closing balance	-	-	-	-

- (4) The movements of bad debt provisions

	Opening balance	Provision	Recovery or reversal	Write-off	Other movement	Closing balance
2024	11,088.76	-	11,088.76	-	-	-
2023	18,968.84	-	7,880.08	-	-	11,088.76

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## XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 1. Other receivables (Continued)

(5) The five largest amounts of closing balances of other receivables categorised by debtor

**2024**

	Closing balance	Proportion to total other receivables (%)	Nature	Ageing	Closing balance of provision for bad debts
Chijin HK	450,303,285.89	80.60	Transactions among entities	Within 3 years	-
Jintai Mining	66,560,670.81	11.91	Transactions among entities	Within 2 years	-
GSR	39,536,200.00	7.08	Transactions among entities	Within 2 years	-
Shanghai Gold Exchange	1,822,942.79	0.33	Margin deposits	Within 2 years	-
Nanhua Futures Co., Ltd.	200,010.40	0.04	Margin deposits	Within 1 years	-
Total	558,423,109.89	99.96			-

### 2. Long-term equity investments

	2024		
	Carrying amount	Impairment provision	Net book value
Investments in subsidiaries	6,390,145,909.23	-	6,390,145,909.23
Investments in associates	1,418,171.32	-	1,418,171.32
Total	6,391,564,080.55	-	6,391,564,080.55

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## XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 2. Long-term equity investments (Continued)

#### (1) Investments in subsidiaries

2024

Investee	Opening balance	Additions	Reductions	Closing balance	Impairment provision for the current year	Closing balance of impairment provision
Jilong Mining	1,694,207,878.30	-	-	1,694,207,878.30	-	-
Guangyuan Technology	100,000,000.00	-	-	100,000,000.00	-	-
Chijin Geological Exploration	600,000.00	-	600,000.00	-	-	-
Chijin Laos	1,909,708,750.00	-	-	1,909,708,750.00	-	-
Hanfeng Mining	531,714,480.93	-	-	531,714,480.93	-	-
Chijin Fengyu	49,380,000.00	-	-	49,380,000.00	-	-
Chijin HK	1,839,934,800.00	-	-	1,839,934,800.00	-	-
Xinhenghe Mining	61,200,000.00	-	-	61,200,000.00	-	-
Chijin xiaowu Tungsten	30,600,000.00	173,400,000.00	-	204,000,000.00	-	-
Total	6,217,345,909.23	173,400,000.00	600,000.00	6,390,145,909.23	-	-

#### (2) Investments in associates

2024

Investee	Opening balance	Movements during the year		Closing balance	Closing balance of impairment provision
		Additions	Investment income/(losses) under the equity method		
Fengyu New Energy	1,544,855.83	–	(148,634.34)	1,396,221.49	–
Guohong Gold	–	1.00	21,948.83	21,949.83	–
Total	1,544,855.83	1.00	(126,685.51)	1,418,171.32	–

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

## XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

### 3. Revenue and cost of sales

	2024		2023	
	Revenue	Cost	Revenue	Cost
Other operations	65,830,976.43	—	133,189,837.50	—
Total	65,830,976.43	—	133,189,837.50	—

### 4. Investment income

	2024	2023
Gain from long-term equity investments under cost method	660,000,000.00	700,000,000.00
Gain from long-term equity investments under equity method	(126,685.51)	(183,677.04)
Investment income received from disposal of financial assets and liabilities held for trading	62,938.52	10.40
Investment income from disposal of long-term equity investments	(599,170.50)	—
合計	659,337,082.51	699,816,333.36

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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## SUPPLEMENTARY INFORMATION

### 1. Summary of non-recurring profit or loss

2024

	Amount	
Gains or losses from disposal of non-current assets, including the write-off of the provision for impairment of assets	70,752,328.28	Mainly the investment income from disposal of the investment in Tietto Minerals
Government grants included in the current profit or loss, except those that are closely related to the Group's normal business operations, which comply with national policies and can be obtained based on established standards, and which have a continuing impact on the Group's profit or loss.	2,444,570.99	
Profit or loss arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and profit or loss from the disposal of financial assets and financial liabilities other than effective hedging activities related to the Group's normal business operations	(6,695,775.42)	
Reversal of impairment provision for trade receivables that had an impairment test individually	1,777,552.54	
Non-operating income and expenses other than those mentioned items	(4,653,206.01)	
Other profit or loss items within the definition of non-recurring profit or loss	262,525.77	
Subtotal	63,887,996.15	
Less: Effect of income tax	(118,442.13)	
Impact on the non-controlling interests (after tax)	(79,571.71)	
Total	64,086,009.99	

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

RMB

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## SUPPLEMENTARY INFORMATION (CONTINUED)

### 1. Summary of non-recurring profit or loss (Continued)

The non-recurring profit or loss of the Group was recognised under the Explanatory Announcement No.1 on Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities — Nonrecurring Profit or Loss (CSRC Announcement 2023 No. 65). The gold leasing transactions of the Group are directly related to the normal business operations, of which the underlying assets are the mineral products or similar metal products of the Group, which are aimed at reducing the risk of significant profitability fluctuation from normal business operations in light of price fluctuation. Gold leasing transactions are frequent and the Group has continued and will continue to engage in such transactions in the foreseeable future. For the abovementioned reasons, the profit or loss on gold leasing transactions is not classified as non-recurring profit or loss.

### 2. Return on net assets and earnings per share

Net profit	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to ordinary shareholders of the parent	25.13	1.07	1.07
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	24.22	1.03	1.03

Reconciliation of the Group's Financial Statements for the Year Ended 31 December 2024 prepared in accordance with CASBE and with IFRSs

Reference is made to the announcement of the Company dated 20 March 2025 in relation to, among other things, the unified adoption and disclosure of financial statements for the year ended 31 December 2024 prepared in accordance with CASBE by the Company pursuant to Rule 4.11(c) and Rule 19A.31(4) of the Hong Kong Listing Rules.



## SUPPLEMENTAL INFORMATION

For the year ended 31 December 2024

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

### RECONCILIATION OF THE GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 PREPARED IN ACCORDANCE WITH CASBE AND IFRS

With reference to the Company's announcement on 20 March 2025, in order to satisfy the possible demand for the Company's financial information prepared under the IFRS from certain Shareholders and public investors, the Company has prepared the following reconciliation table to illustrate the differences in the Company's financial statements for the year ended 31 December 2024, when prepared in accordance with the CASBE and the IFRS. Adoption of IFRS will only affect the Group's consolidated net profit and net assets attributable to equity holders of the Company, the key impact is summarised as follows:

	Net profit attributable to Shareholders of the parent company		Net assets attributable to equity shareholders of the parent company	
	Amount incurred during the year ended 31 December 2024	Amount incurred during the year ended 31 December 2023	Balance as at 31 December 2024	Balance as at 31 December 2023
According to CASBE	1,764,339,650.99	803,933,636.60	7,916,811,035.17	6,151,990,120.67
Items and amounts adjusted according to the accounting standards of IFRS				
Difference on special reserves (note)	1,915,890.55	538,137.41	-	-
According to IFRSs (unaudited)	1,766,255,541.54	804,471,774.01	7,916,811,035.17	6,151,990,120.67

**Note:**

Special reserves include safety funds. In accordance with CASBE, the Group should make provisions for the special reserves, which will be accounted as the production cost and contributions made to the special reserves of equity attributable to Shareholders. Non-capital expenditure incurred should be directly offset against special reserves upon occurrence, while capital expenditure incurred should be recorded as fixed assets upon completion, and offset against special reserves based on the cost of the fixed assets with accumulated depreciation fully recognised. After that, no subsequent provisions for depreciation would be made to the relevant fixed assets. According to IFRS accounting standards, expenses are recognized only when they are incurred, and any unutilised special reserves are considered a provision for distributed profits.

Taking into account of the above and in light of the continuing convergence between the CASBE and the IFRS, the Board is of the view when compared to adoption of the IFRS, the Group's financial position, operating results, and cash flows have not been significantly impacted by adopting CASBE in financial statement preparation and disclosure.

## GLOSSARY

“2024 AGM”	the 2024 annual general meeting or the adjournment thereof to be convened and held by the Company
“2024 Profit Distribution Plan”	the profit distribution plan of paying cash dividend of RMB1.60 (tax inclusive) per 10 Shares as the final dividend for the year ended 31 December 2024 to the Shareholders as proposed by the Board, which is subject to consideration and approval at the 2024 AGM.
“A Share(s)”	domestic ordinary share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are traded in Renminbi and listed on the Shanghai Stock Exchange
“AISC”	all-in sustaining costs, a metric which means cost of sales excluding amortisation and depreciation, plus all costs not included therein relating to sustaining current production including sustaining capital expenditure. It generally comprises of cash costs (including by-product credits), sustaining capital, exploration expenses and general and administrative expenses
“Articles of Association”	the articles of association of the Company
“AUD”	Australian dollars, the lawful currency of Australia
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors
“CASBE”	the China Accounting Standards for Business Enterprises
“Cedi”, “GH¢” or “Ghanaian Cedi”	the lawful currency of Ghana
“Chifeng Gold”, “Company” or “Listed Company”	Chifeng Jilong Gold Mining Co., Ltd. (赤峰吉隆黃金礦業股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability on 22 June 1998, the A Shares and H Shares of which are listed on the Shanghai Stock Exchange (stock code: 600988) and the Main Board of the Hong Kong Stock Exchange (stock code: 6693)
“Chijin HK”	Chijin International (HK) Limited (赤金國際(香港)有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of the Company

## GLOSSARY

“Chijin Xiawu”	Xiamen Chijin Xiawu Metal Resources Limited (廈門赤金廈鎢金屬資源有限公司), previously known as Shanghai Chijin Xiawu Metal Resources Limited (上海赤金廈鎢金屬資源有限公司), a private limited liability company established under the PRC laws and a direct non-wholly owned subsidiary of our Company
“Chixia Laos”	CHIXIA Laos Holdings Limited (赤廈老撾控股有限公司), a company registered in the Cayman Islands with limited liability and wholly owned by Chijin Xiawu
“CIRE Mining”	China Investment Rare Earth Mining Co., Ltd, a company registered in Laos with limited liability, a subsidiary of China Investment Mining (Laos) Co., Ltd., and the operator of the trial mining area of the Mengkham Rare Earth Element Project
“CIREX Mining”	China Investment Rare Earth Mining Xiangkhouang Co. Ltd, a company registered in Laos with limited liability and a subsidiary of China Investment Mining (Laos) Co., Ltd., and the operator of the exploration area of the Mengkham Rare Earth Element Project
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company
“ESG”	environmental, social and governance
“Ghana”	the Republic of Ghana
“Global Offering”	the offer of the H Shares for subscription by the public in Hong Kong and outside the United States in offshore transactions, details of which are set out in the Prospectus
“Golden Star Resources” or “GSR”	Golden Star Resources Ltd., a company registered in Canada and an indirect non-wholly owned subsidiary of the Company

## GLOSSARY

“grade”	ratio of the content of a useful element or its compounds in an ore, for which the greater the content, the higher the grade. For gold, grade is commonly expressed in grams per tonne of milled ore (g/t Au)
“Group”	the Company and its subsidiaries
“GSLW”	Golden Star (Wassa) Ltd, a company registered in Ghana and an indirect non-wholly owned subsidiary of GSR
“Guangyuan Environmental Protection”	Hefei Guangyuan Environmental Protection Technology Co., Ltd. (合肥廣源環保技術有限公司), a wholly owned subsidiary of Guangyuan Technology
“Guangyuan Technology”	Anhui Guangyuan Technology Development Co., Ltd. (安徽廣源科技發展有限公司), a limited liability company established under the PRC laws and a direct non-wholly subsidiary of the Company
“H Share(s)”	overseas listed foreign ordinary shares in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“Hanfeng Mining”	Jilin Hanfeng Mining Technology Co., Ltd. (吉林瀚豐礦業科技有限公司), a direct wholly owned subsidiary of the Company
“Hanfeng Zhongxing”	Yantai Hanfeng Zhongxing Management Consultancy Center (Limited Partnership) (煙台瀚豐中興管理諮詢中心(有限合夥)), a limited liability partnership established under the PRC laws, the sole limited partner of which is Ms. Li, accounting for approximately 99.00% of its committed capital contribution, and the sole general partner of which is Wu Zengxiang (武增祥), accounting for approximately 1.00% of its committed capital contribution
“HK\$”	Hong Kong dollars, being the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange

## GLOSSARY

“Huatai Mining”	Chifeng Huatai Mining Co., Ltd. (赤峰華泰礦業有限責任公司), which is registered in the PRC and is a wholly owned subsidiary of Jilong Mining
“IFRS”	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board (IASB) and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)
“Independent director(s)”	Independent non-executive director(s)
“Jilong Mining”	Chifeng Jilong Mining Co. Ltd. (赤峰吉隆礦業有限責任公司), a private limited liability company established under the PRC laws and a direct wholly owned subsidiary of the Company
“Jintai Mining”	Eryuan Jintai Mining Development Co., Ltd. (洱源錦泰礦業開發有限責任公司), a limited liability company established under the PRC laws and a direct non-wholly owned subsidiary of Xinhenghe Mining
“KIP” or “Lao Kip”	the lawful currency of Laos
“Laos”	the Lao People’s Democratic Republic
“LXML”	Lane Xang Minerals Limited Company, a company registered in Laos, an indirect non-wholly owned subsidiary of the Company and is the operator of the Sepon Gold and Copper Mine
“Mengkham Rare Earth Element Project”	a rare earth mine project operated by CIRE Mining in Laos
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
“PRC”	the People’s Republic of China, and solely for the purpose of this annual report, excluding Taiwan, the Macao Special Administrative Region of the PRC and Hong Kong
“Prospectus”	the prospectus of the Company in connection with the Global Offering dated 28 February 2025
“Reporting Period”, “Year” or “Period”	year ended 31 December 2024

## GLOSSARY

“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising our A Shares and our H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Tietto Minerals”	Tietto Minerals Limited, a company previously listed on the Australian Securities Exchange under the stock code TIE, which the Group acquired a total of approximately 13.05% of the then shareholding interest in by January 2023 and disposed of such shareholding interest in May 2024 through the offer from Zhaojin Mining Industry Company Limited (a company listed on the Main Board of the Hong Kong Stock Exchange, stock code: 1818) pursuant to a bidder statement to acquire all its outstanding issued shares
“US\$” or “USD” or “U.S. dollars”	United States dollars, the lawful currency of the United States of America
“Wulong Mining”	Liaoning Wulong Gold Mining Co., Ltd. (遼寧五龍黃金礦業有限責任公司), a limited liability company established under the PRC laws and a direct wholly owned subsidiary of Jilong Mining
“Xinhenghe Mining”	Kunming Xinhenghe Mining Co., Ltd. (昆明新恒河礦業有限公司), a private limited liability company established under the PRC laws and is a direct non-wholly owned subsidiary of the Company
“Zhaojin Capital”	Zhaojin Capital (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly owned subsidiary of Zhaojin Mining Industry Company Limited
“%”	per cent



**赤峰吉隆黃金礦業股份有限公司**  
**Chifeng Jilong Gold Mining Co., Ltd.**